



# Northern Star Resources Limited Modern Slavery Statement

24 August 2021

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# About this Statement

## What is modern slavery?

'Modern slavery' is an umbrella term used to describe serious exploitation and human rights violations. Practices that constitute modern slavery can include:<sup>1</sup>

- human trafficking;
- slavery;
- servitude;
- forced labour;
- deceptive recruiting for labour or services;
- debt bondage;
- forced marriage; and
- the worst forms of child labour.

The Global Slavery Index (2018) estimates that around 40.3 million individuals are caught in modern slavery, 71% of those being female and 1 in 4 being children. It is understood 16 million modern slavery victims are exploited in private sector supply chains.<sup>2</sup>

Northern Star Resources Limited (**Northern Star** or the **Company**) condemns all human rights abuses, including modern slavery practices in all its forms. Modern slavery is a business risk for every industry and sector, which has devastating consequences for victims. It is also an investment issue, given its potential to undermine shareholder value. We recognise our role in protecting the human rights of all people involved in, or impacted by, our business practices. We take meaningful steps to identify and address our modern slavery risks and maintain responsible and transparent supply chains.

## Annual Modern Slavery statements

Northern Star welcomed the Australian Government's introduction of the *Modern Slavery Act 2018* (Cth) (**Act**) which entered into force on 1 January 2019. The Act established a national modern slavery reporting obligation, applicable to organisations with annual consolidated revenue of A\$100 million or more.

As prescribed by the Act, this Statement sets out:

- the reporting entities covered by this Statement;
- our company structure, operations and supply chains;
- modern slavery risks in our operations and supply chains;
- the actions we have taken to assess and address those risks, including due diligence and remediation processes;
- how we assess the effectiveness of such actions;
- our process of consultation with our subsidiary entities; and
- other information we consider relevant regarding our efforts to combat modern slavery in our operations and supply chains.

This Statement is available on our website at: <https://www.nsr ltd.com> and via the Australian Government's Online Register of Modern Slavery Statements at: <https://modernslaveryregister.gov.au>.

This Statement has been approved for release by the Board of Northern Star on its own behalf and on behalf of its wholly-owned subsidiaries, and is current as at, 24 August 2021, in accordance with section 14(2)(d)(ii) of the Act.

Northern Star has previously published:

- a voluntary modern slavery statement in its CY2018 Sustainability Report;
- updates its modern slavery risks initiatives in its CY2019 Sustainability Report and CY2020 Sustainability Report; and
- a mandatory Statement covering FY2020 with its CY2020 Sustainability Report in February 2021,

which are available here: <https://www.nsr ltd.com/investor-and-media/reports/sustainability-reports>.

## Reporting entity & period

This Modern Slavery Statement (**Statement**) is the second mandatory modern slavery statement by Northern Star under the Act, covering the financial year ended 30 June 2021 (**FY2021**). The Statement is a joint statement of Northern Star on its own behalf and on behalf of all of its wholly-owned subsidiaries, in accordance with section 14 of the Act.

## Consultation with group entities

Northern Star has prepared this joint Statement in consultation with each other reporting entity covered by the Statement (all of which have common directors with Northern Star), in accordance with section 14(2)(c) of the Act. See the [Company structure](#) section of this Statement for further details.

Consultation with each other reporting entity was undertaken by our group-wide Procurement Social Responsibility Working Group, which comprises members of the Legal, Procurement and ESG Engagement teams. The Working Group meets regularly and oversees modern slavery initiatives being undertaken by the Company. The Group engaged with key areas of our business, including human resources, procurement, legal, sustainability, external relations and social responsibility to prepare the Statement. The process involved:

- refreshed assessment of modern slavery risks to the business and how they vary across different sites and jurisdictions;
- implementation of agreed actions to combat modern slavery risks in FY2021 (as detailed in this Statement);
- formulating an action plan for the next reporting period; and
- preparation and review of the Statement text,

as guided and overseen by the ESS Committee of the Board.

<sup>1</sup> As defined in the *Modern Slavery Act 2018* (Cth).

<sup>2</sup> Australian Border Force Modern Slavery Key Facts and Figures.

# Highlights

## Prior to the reporting period

- Announced alignment to the United Nations Sustainable Development Goals, including our commitment to the following Goals:



**8.7** Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms



**16.2** End abuse, exploitation, trafficking and all forms of violence against and torture of children

- Established the Environmental, Social & Safety (ESS) Committee in 2018, with delegated responsibility for modern slavery.
- Established a dedicated Procurement Social Responsibility Working Group in 2019.
- Conducted our first modern slavery supplier survey in early 2019.
- Release our first voluntary Modern Slavery Statement in March 2019.
- Adopted a Supplier Code of Conduct in 2019, requiring suppliers to undertake modern slavery due diligence.
- Released our first mandatory Modern Slavery Statement in February 2021.
- Trained key personnel to identify modern slavery risks in 2019 and 2020.

## During the reporting period (covered in this Statement)

- Adopted a Human Rights Policy committing to the UN Universal Declaration of Human Rights.
- Adopted a Supplier Code of Conduct.
- Adopted a Purchasing Policy to ensure compliance with our Code of Conduct.
- Conducted 'deep dive' reviews of ~50 suppliers whose first modern slavery supplier survey responses raised risk flags.
- Promoted increased awareness of modern slavery with both our suppliers and our workforce.
- Conducted a second modern slavery supplier survey using the industry self-assessment questionnaire (SAQ).
- Reviewed and updated our procurement policies and processes.
- Trained additional key personnel to identify and address modern slavery risks.
- Conducted an ESG investor perception survey.
- Engaged Anti-Slavery Australia to develop an employee training module.

## Since the reporting period

- Conducted third party audits, including an on-site audit of a supplier's factory in India.
- Undertook desktop audits of two suppliers based in Australia.

## Planned actions in FY2022

- Further develop and implement a corrective action plan to address the issues identified in the third-party audits.
- Complete deep dive review of suppliers whose 2020 SAQ responses raised risk flags.
- Roll out bespoke Anti-Slavery Australia modern slavery training to a wider group of employees.
- Track employee understanding of modern slavery risks to assess the effectiveness of our training and awareness initiatives.
- Consider including information on modern slavery within our Company-wide inductions and rolling out supplier training.
- Continue to administer the SAQ to our suppliers and work with them to address any issues identified.
- Conduct further on-site audits of identified high risk suppliers.
- Conduct a formal modern slavery risk review process.
- Review policies, procedures and standards, and contracts, to reflect evolving modern slavery commitments.

# Who we are

## Our Company

Northern Star is a global-scale Australian gold producer with world-class projects located in highly prospective and low sovereign risk regions of Australia and North America. We own and operate the majority of our mines, allowing us to control costs and operate efficiently.

We have a portfolio of high-quality, high-margin underground and open pit gold mines, and are firmly focused on maximising Shareholder returns.

Northern Star was incorporated in May 2000, and is a public company limited by shares listed on the Australian Securities Exchange (ASX: NST).

All of our subsidiaries are 100% owned. Our organisational structure as at 30 June 2021 is depicted on page 5.

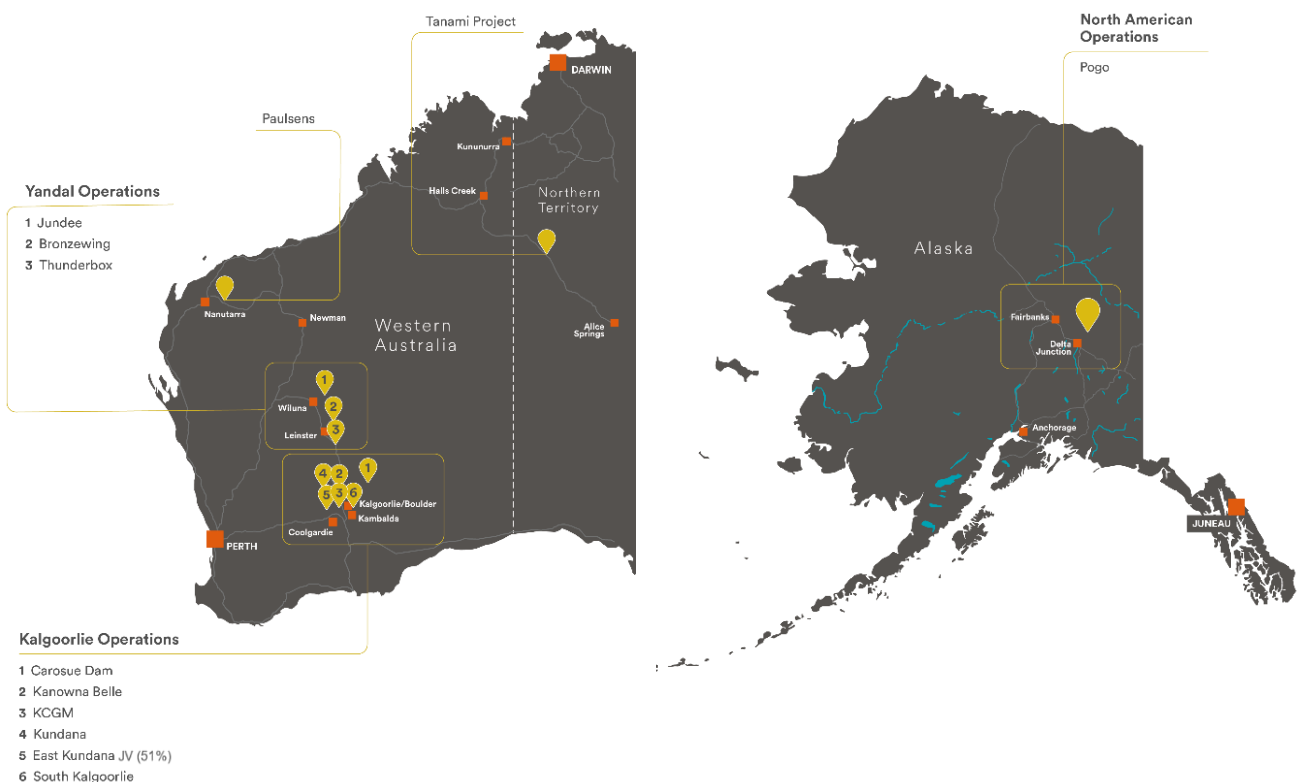
Our STARR Core Values form the foundation of everything we do as a business:



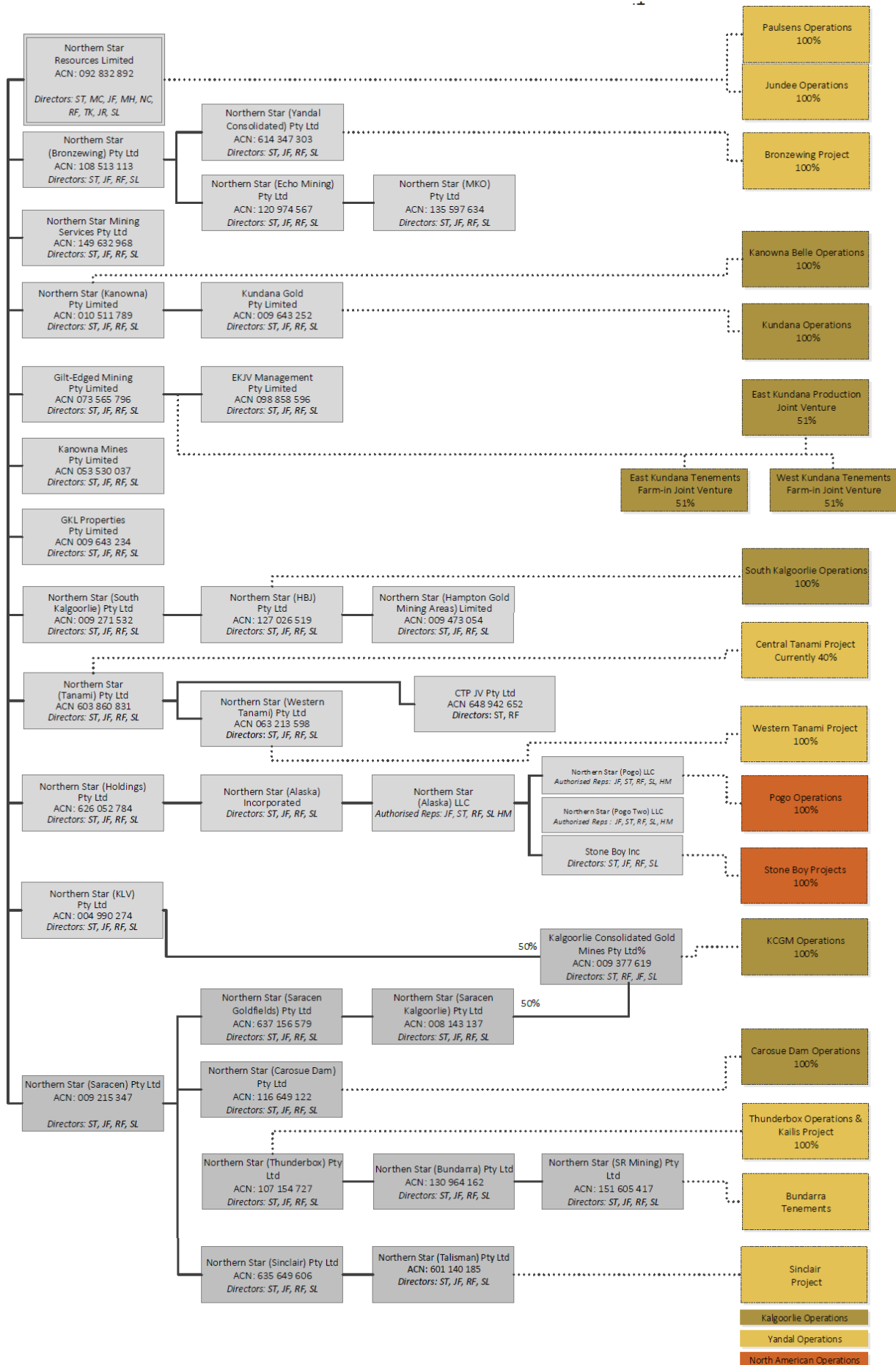
**STARR**  
It's what we stand for.

## Where we operate

Northern Star operates three concentrated production centres: Yandal and Kalgoorlie in Western Australia, and Pogo in Alaska.



# Company structure<sup>3,4</sup>



<sup>3</sup> In FY2021, Northern Star's merger with Saracen Mineral Holdings Limited (**Saracen**) by scheme of arrangement was implemented effective 12 February 2021. All Saracen entities are part of the Northern Star group and covered by this Statement.

<sup>4</sup> Since the end of FY2021, Northern Star completed the sale of its Kundana Assets to Evolution Mining Limited, including the shares in Kundana Gold Pty Ltd, Gilt-Edged Mining Pty Ltd and EKJV Management Pty Ltd. These subsidiaries were part of the Northern Star Group during all of FY2021 and are covered by this Statement.

## Our workforce and supply chain

We employ approximately 3,400 employees across our Australian and Northern America operations – including full time, part time and casual. Northern Star has an above-average female participation rate for the gold mining industry. 80 per cent of employees are shareholders of Northern Star, as a result of high participation rates in the employee incentive schemes we offer.

Our supply chain is made up of approximately 2,500 direct suppliers, most of which are located locally to our operations. Our FY2021, total contestable spend on suppliers was A\$2.5 billion.

Our top 10 categories of goods and services procured in FY2021 (by spend) are illustrated below.



<b>Total employees<sup>^</sup></b>	<b>3,383</b>
Employees in Australia	2,889
Employees in United States	494



<b>Female participation</b>	<b>23.8%</b>
compared to Industry <sup>5</sup>	18.4%



<b>Employee shareholders<sup>^</sup></b>	<b>80%</b>
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<b>2,807 suppliers engaged<sup>^</sup></b>	
Australian based suppliers	2,227
United States based suppliers	580

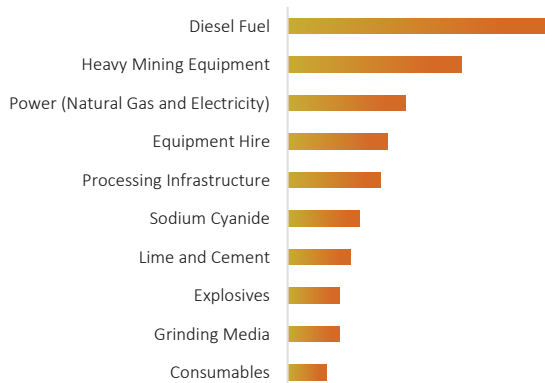


<b>FY21 total supplier spend</b>	<b>A\$2.5B</b>
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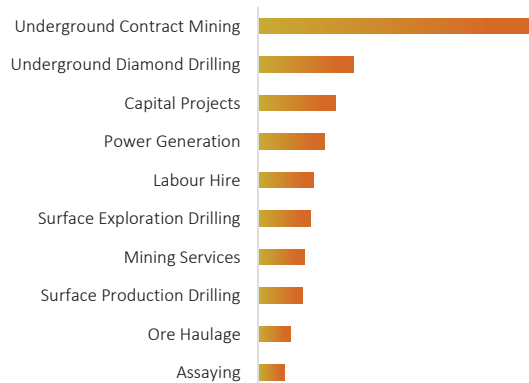


<b>Suppliers surveyed in 2020</b>	<b>846</b>
up 125% from 2019	376

FY21 Top 10 Goods Procured (by spend)



FY21 Top 10 Services Procured (by spend)



<sup>^</sup> As at August 2021.

<sup>5</sup> Comparison Group is WGEA Gold Ore Mining Companies with 1000+ employees as at last published WGEA data 31 March 2020.

# Modern slavery risks in our operations & supply chain

Northern Star does not discount the real possibility that modern slavery could be present in our supply chains, considering:

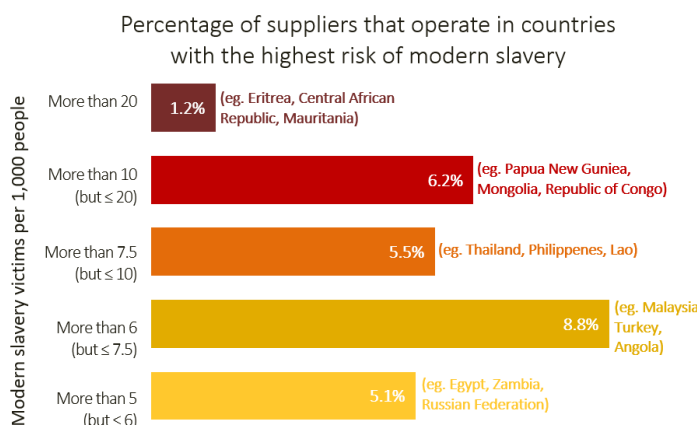
- the jurisdictions in which we and our suppliers are located;
- the industries in which we and our suppliers operate; and
- the products and services that we procure globally.

## Country risk

An increased focus on environment, social and governance risk and performance has driven the Company's decision to operate exclusively in the low sovereign risk jurisdictions of Western Australia and Alaska, which are ranked number four and five in terms of overall attractiveness for mining investment.<sup>6</sup> Australia and the United States are also ranked within the top 10 for lowest rates of human rights abuses and modern slavery cases.<sup>7</sup>

Despite these low risk rankings, Australia is not immune to modern slavery, with an estimated 15,000 people in modern slavery on any given day in 2016.<sup>8</sup> Commercial sexual exploitation of children, forced labour and labour exploitation, domestic servitude, forced sexual exploitation and trafficking persons for sexual exploitation, forced and child marriage, is known to have occurred in Australia.<sup>9</sup> The United States has an estimated prevalence of 1.3 per 1,000 people experiencing modern slavery in 2016 (approximately 403,000 in total).<sup>9</sup>

In our second modern slavery supplier survey conducted in late 2020 (see page 9 for details), we asked suppliers to self-select all countries in which their business operates. We benchmarked these responses against the Global Slavery Index in terms of prevalence of modern slavery victims per country (per 1,000 people),<sup>10</sup> the results of which are indicated in the chart below. Our 2020 responses indicate a higher proportion of suppliers operating in all of the below categories of high-risk countries.



<sup>6</sup> Fraser Institute Investment Attractiveness Index (2020).

<sup>7</sup> Australia is ranked 5 and United States 10 (out of 167) in the GSI.

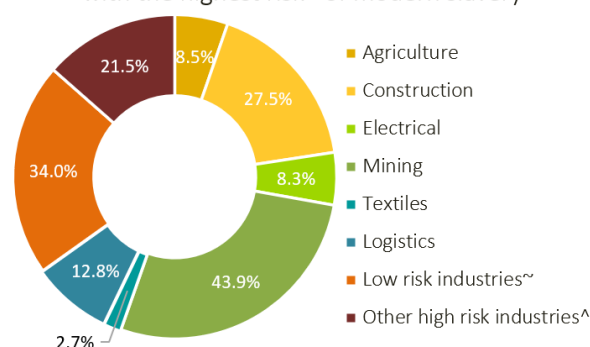
<sup>8</sup> Walk Free Foundation 2018 Global Slavery Index (2018) (GSI).

## Industry risk

Although modern slavery risks are considered to be greatest in sectors such as cleaning, hospitality, agriculture, textiles production and some types of manufacturing,<sup>11</sup> the mining industry has an inherent risk of modern slavery, particularly due to the reliance on imported equipment and products.

In our 2020 modern slavery supplier survey, we asked suppliers to self-select all industries in which they operate out of the industries understood to present a significant risk of slavery and human trafficking, the results of which are indicated in the chart below. Compared with the results of our first modern slavery survey, our 2020 responses indicate a greater proportion of our supplier base is operating in identified high risk industries, in particular mining (up 5.9% from 38%).

Percentage of suppliers that operate in industries with the highest risk\* of modern slavery



\* Industries which present a significant risk of slavery and human trafficking<sup>9</sup>

~ Means the supplier only operates in industries not considered 'high risk'

^ Includes fishing, forestry, healthcare, hospitality and cleaning.

## Product risk

The Global Slavery Index (2018) ranks the following products as having the highest risk of modern slavery (by US\$ value):

1. Laptops, computers & mobile phones (US\$200.1B);
2. Garments (US\$127.7B);
3. Fish (US\$12.9B);
4. Cocoa (US\$3.6B); and
5. Sugarcane (US\$2.1B).

We procure the following potentially high risk goods & services:

- personal protective equipment (PPE) (especially clothing);
- transport and logistics (eg. freight and warehousing);
- laptops, computers and mobile phone devices; and
- facilities management (eg. accommodation, cleaning).

<sup>9</sup> 'Murky Waters' report by Walk Free Foundation, April 2020.

<sup>10</sup> 'Strengthening Protections Against Trafficking in Persons in Federal and Corporate Supply Chains' report by Verité, January 2015.

<sup>11</sup> Australian Border Force Modern Slavery Key Facts and Figures.



# Action taken to address key modern slavery risks

Northern Star takes a comprehensive, group-wide and multi-faceted approach to identifying and addressing modern slavery risks led by the Procurement Social Responsibility Working Group, with a view to continually improving the integrity and quality of our operations and supply chains. We provide training programs and promote general awareness of modern slavery risks to our employees, contractors and suppliers. We conduct regular surveys, due diligence and audits targeted at identifying risk flags and then diving deeper to investigate potential modern slavery incidences. We collaborate with our peers and our direct suppliers to ensure our standards and expectations regarding advancement of human rights and reducing modern slavery risks in supply chains are met.

## Policies and Procedures

The Northern Star **Human Rights Policy** adopted in FY2021 outlines the Company's commitment to be a responsible business and comply with the United Nations Universal Declaration of Human Rights and the Guiding Principles on Business and Human Rights.

The **Code of Conduct** requires Directors, officers, employees and contractors to act fairly, honestly, transparently, with integrity and in compliance with all applicable laws and regulations in fulfilling their duties and responsibilities.

Our **Supplier Code of Conduct** (adopted in 2020) mandates all individuals and organisations that supply goods or services to Northern Star to:

- confirm in their contract there is no deceptive recruiting, forced or bonded labour, employment of underage workers or underpayment of worker entitlements in their business;
- conduct their own annual supply chain enquiries to understand better the potential for risks of modern slavery breaches in their supply chain, and to identify any known or suspected modern slavery breaches in their supply chain;
- remediate any modern slavery breaches, if any are identified;
- respond in a transparent, honest manner to any request for information about its supply chain, and disclose to Northern Star the results of enquiries, upon request; and
- disclose to Northern Star any confirmed or suspected breaches of human rights in the Supplier's supply chain as soon as is practicable upon the Supplier becoming aware.

The Code of Conduct and Supplier Code of Conduct form part of the terms and conditions that govern all purchase orders for goods and services by Northern Star. Suppliers engaged under a purchase order are governed by our standard purchase order terms and conditions, with requirements communicated to our suppliers and available on our website. A material breach of our Codes constitutes an event of default under our terms and conditions, and triggers a remedy process and potential termination of the supplier's engagement if the issue remains unremedied.

During the reporting period we implemented a **Purchasing Policy** to further promote transparent, equitable and competitive purchasing. The Purchasing Policy applies to all persons procuring goods and/or services on Northern Star's behalf to ensure all purchasing activities:

- are compliant with the Code of Conduct;
- identify any potential conflicts of interest; and
- consider sustainable benefits such as environmental, social and local environmental requirements in the overall value for money assessment.

In addition, the following other Northern Star core corporate governance policies that address human rights matters apply to all of our suppliers:

- **Anti-Bribery & Anti-Corruption Policy**, which states the Company's committed opposition to all forms of bribery and corruption, prohibits the making of bribes and improper payments, and places appropriate controls on the giving and receiving of gifts and donations;
- **Whistleblower Policy**, which encourages reporting of material violations (or suspected material violations) of the Company's Code of Conduct, STARR Core Values or material legal or regulatory obligations; and
- **Risk Management Policy**, under which Northern Star commits to "ensuring the safety and wellbeing of all our employees and contractors".

These policies highlight the Company's commitment to acting lawfully, ethically and responsibly, instilling appropriate behaviours in our employees, contractors and suppliers to foster the creation of long-term sustainable value for our shareholders, and further detail what the Company regards as acceptable business practices.

Our core corporate governance policies and procedures are available at <https://www.nsr ltd.com/about/corporate-governance/>.

## Risk management

Risks are inherent in operating a business, and Northern Star is committed to the adequate identification, monitoring and management of material risks presented by our operational and corporate activities.

Modern slavery risks are assessed within Northern Star's broader risk management framework, overseen by the Audit & Risk Committee (ARC). At the quarterly meetings of the ARC, information about existing and emerging risks is presented by management and the internal audit function. The quarterly risk review process:

- identifies, assesses and prioritises identified risks;
- formulates and reviews risk mitigation actions to be implemented and monitored; and
- assesses the level of residual risk after mitigating actions, using a Company-wide risk assessment matrix tool.

Our risk management framework enables the Board to review the effectiveness of controls in place, identify further opportunities to mitigate risks and continuously monitor and improve risk management and internal controls. The risk management process also informs strategic decisions regarding risks which affect the Company now or may in the future.

Our General Counsel & Company Secretary would be the 'risk owner' for assessing modern slavery risks to our business, overseeing agreed mitigating practices, and reporting to the Audit & Risk Committee and ESS Committee, should modern slavery risks be included on the corporate risk register.

Based on our modern slavery supplier survey responses, due diligence and third party audits undertaken to date, modern slavery is not currently identified as a high risk comparative to other operational risks identified in Northern Star's business.

We are continually improving our understanding of and reviewing our exposure to modern slavery risks, and intend to conduct a focussed modern slavery risk review session in FY2022 with a view to modern slavery risks being included in Northern Star's corporate risk register in future. See page 14 for further details.

## Training and awareness

In FY2020, we established a dedicated Procurement Social Responsibility Working Group to oversee initiatives to tackle modern slavery in our business. Members of the Working Group have been chiefly responsible for modern slavery training and awareness initiatives.

To date, the following employees have completed the Anti-Slavery Australia training course, conducted by the Faculty of Law at the University of Technology, Sydney, which is focused on helping build skills to identify, assess and manage the risk of potential modern slavery practices infiltrating our supply chain:

- key procurement personnel in Australia and Alaska;
- our in-house legal team;
- government relations and social performance group manager;
- ESG engagement (sustainability) team; and
- Site and other General Managers.

Members of the Procurement Social Responsibility Working Group have also attended externally run information sessions and contributed to industry working group meetings on modern slavery.

During the reporting period, we engaged Anti-Slavery Australia to develop a bespoke modern slavery training module to be integrated into Northern Star's Learning Management System. The module will be delivered in FY2022 as a mandatory requirement for all employees with a direct responsibility for procurement, supply chain management and human resources including;

- human resources personnel;
- procurement personnel including warehouse staff;
- relevant General Managers;
- sustainability team;
- our internal legal team;
- external and community relations teams; and
- key Executives, such as the Chief Financial Officer who oversees the Company's risk portfolio.

The training will be made available and recommended to all employees no matter their discipline, and promoted throughout the year and on International Human Rights Day on 10 December. We will anonymously survey all employees who complete the training module, to assess how effective it is at improving awareness of modern slavery risks and how to manage them, and to improve future training delivered to our workforce and suppliers.

## Due diligence – new suppliers

As part of all tender processes, we require a prospective supplier to disclose key details of their occupational health & safety (OHS), environmental, social responsibility and other relevant standards and practices.

Our procurement team also specifically request details of a prospective supplier's approach to modern slavery risks in their business, on a discretionary basis. We are particularly concerned to ensure our approach to modern slavery is aligned with a particular supplier in tenders for significant contracts (meaning either large annual value, long term or high risk).

As part of the new supplier on-boarding process, suppliers must confirm compliance with both Northern Star's Code of Conduct and Supplier Code of Conduct, which set out the obligations for suppliers providing goods and/or services to Northern Star in relation to safety, environment and social governance (see above [Policies and Procedures](#) on page 8).

## Due diligence – existing suppliers

Northern Star periodically conducts due diligence on existing direct suppliers of goods and services, in order to:

- identify any known or suspected modern slavery breaches in our supply chain, or particular risk areas; and
- understand what action is being taken by suppliers in relation to modern slavery risks or breaches.

**First modern slavery supplier survey:** We conducted our inaugural modern slavery supplier survey conducted in early 2019, and disclosed results of this survey in our first voluntary modern slavery statement. During FY2021, we identified 50 suppliers (out of the 376 surveyed) whose survey responses raised the greatest number of risk flags in – based on the countries and industries in which they operate, the goods and/or services they provide, and their responses to questions around training and information they provide their personnel, whether they have a modern slavery policy and whether they conduct audits and due diligence on their supply chain.

**Deep dive reviews:** We conducted ‘deep dive’ reviews of suppliers to let them know their responses to our first modern slavery survey had raised risk flags, and to provide them an opportunity to advise if any of their survey responses had changed since the survey date.

Our CEO, Stuart Tonkin, contacted each of these suppliers to request that they:

- review our Supplier Code of Conduct that applies to them;
- confirm that our Supplier Code of Conduct has been provided to the supplier’s CEO, Board and all employees with a direct responsibility for supply chain management;
- educate their procurement department and senior management on modern slavery and promote general awareness training materials; and
- arrange for all of their senior management and purchasing/procurement department employees complete a Human Rights and Modern Slavery e-learning training module, focused on identifying and managing modern slavery risks.

**Due diligence report:** In FY2021 we engaged an external service provider to generate a comprehensive due diligence report<sup>12</sup> on a supplier whose business premises had raised risk flags during our tender process. The objective was to verify whether any documented human rights, financial crimes or other violations had been committed by, or adverse media published relevant to, the supplier. This report highlights any instances of the following:

- worker complaints over employment conditions;
- fines or infringements for human rights related violations; and
- sanctions imposed on the company or its directors.

This report prompted us to conduct a third party audit on this supplier (see [Audits](#) section on page 11 below).

**Second modern slavery supplier survey (SAQ):** In November 2020, we sent our second modern slavery survey to all of our suppliers who had issued invoices in the 12 months prior to the survey date. We chose to survey all direct suppliers, rather than just high spend / high risk suppliers, as we acknowledge that any incidence of slavery in our supplier base can have devastating human rights consequences, no matter what proportion of our Company’s total supplier spend they account for. As with our first survey, we included information to promote modern slavery awareness together with our survey.

Unlike our first survey which we designed, this time we used the Self-Assessment Questionnaire developed by the WA Modern Slavery collaborative industry group in collaboration with the Walk Free Foundation (SAQ) following extensive consultation between resource, mining and energy organisations. The SAQ asks suppliers to provide information on how they identify and address the risks of modern slavery in their own operations and their supply chain. The SAQ was preferred, as an industry standard survey that suppliers might be familiar with.

We had a significant increase in survey responses, with 846 suppliers completing the SAQ (up from 376 in 2019) due to:

- our increased supplier base following our acquisition of 50% in KCGM;
- suppliers’ increased knowledge and awareness of the Modern Slavery Act and obligations under it; and
- possibly due to utilising the SAQ rather than our own modern slavery survey.

Survey responses were analysed to identify ‘risk flags’ based on:

- the jurisdictions in which they operate – benchmarked against the Global Slavery Index;
- the industries in which they operate – benchmarked against industries identified as being ‘high risk’ in ‘Strengthening Protections Against Trafficking in Persons in Federal and Corporate Supply Chains’ report (Verité 2015);
- steps suppliers are taking to address modern slavery risks to their businesses – eg. policies to protect against human rights abuses including modern slavery practices, training their workers, conducting due diligence on their supply chains and ensuring adequate and legal worker conditions.

Results from this survey provided the following insights:

- 48% of respondents have policies and procedures to address modern slavery risks (up from 25% in 2019);
- 32.6% of respondents provide training to employees on modern slavery (up from 21% in 2019); and
- 39.9% of respondents conduct modern slavery due diligence on their supply chains (up from 13% in 2019).

Although no instances of modern slavery were detected through our 2020 SAQ (nor in our 2019 survey), we analysed the survey results to identify suppliers with a high number of ‘risk flags’ that warranted follow up via a ‘deep dive’ review and additional support, or a more comprehensive third party audit where real risks were apparent (see [Audits](#) section on page 11).

<sup>12</sup> From the Dow Jones RiskCenter database

## Audits and Corrective Action Plans

In July 2021 we appointed expert auditors, Intertek, to conduct third-party on-the-ground audits of identified high-risk suppliers within our supply chain. Intertek is an international organisation with certified auditors located in over 100 countries, which allows in person audits to be conducted on our suppliers irrespective of the challenges of travel resulting posed by the COVID-19 pandemic.

We selected three suppliers for Intertek to audit based on their 2020 SAQ responses, modern slavery due diligence reports obtained, as well as observations made during facility tours by our procurement department personnel.

Two of the suppliers were based in Australia and audits were conducted virtually due to covid-related travel restrictions. One of the suppliers was based in India and three separate facilities in India were inspected in person.

Preliminary workplace conditions assessment reports have been received from the auditors, identifying a number of findings evidencing human rights violations related to employment conditions, pay, machine safety, fire safety, and chemical and hazardous material management.

A corrective action plan has been agreed with the supplier to address the identified issues. Details of the action plan, changes made by the supplier and ongoing monitoring and assistance provided to them will be disclosed in our CY2021 Sustainability Report and FY2022 Modern Slavery Statement.

## Collaboration with our suppliers

We endeavour to collaborate with our suppliers to promote and develop within our supply chain a deeper understanding of Northern Star's expectations and standards in relation to human rights and the risks of modern slavery breaches.

We prefer alignment with suppliers and business partners who share Northern Star's values, ethics and sustainable business practices – including their commitment to eradicating modern slavery. We seek to address gaps in suppliers' policies and procedures relating to human rights, and provide resources to train their workers and suppliers on modern slavery issues.

As part of the 'deep dive' review of suppliers whose modern slavery survey responses raised significant risk flags, we collaborated with a number of suppliers directly. Firstly, we invited suppliers to update any responses provided in the survey where their processes or procedures may have changed since first completing the survey. We also found that smaller suppliers were not as familiar with the Act as larger organisations, who themselves are required to provide statements. In these instances, our Procurement and Legal teams assisted the suppliers to better understand the requirements of the Act and provide clarity around some questions included within the surveys. Following these engagements, the number of risk flags for some suppliers were reduced. We also contacted our material suppliers (by spend) who did not respond to our 2020 survey, and worked with them to ensure they understood and completed it.

Our [case study](#) on page 12 details a recent instance where we collaborated with our suppliers to eliminate the use at our operations of nitrile gloves produced at a factory where working conditions are tantamount to forced labour.

## Collaboration with industry peers

Representatives of Northern Star collaborate with mining industry peers via participation in the WA Modern Slavery collaborative (**WAMSc**) industry group, comprising representatives from mining companies including South 32, Fortescue, Gold Fields, Iluka, Alcoa, AngloGold, Talison and Rio Tinto, oil and gas producers Woodside and Inpex, and associated industry and not-for-profit organisations including Wesfarmers, the Minderoo Foundation, Western Power, Origin Energy and Synergy.

The WAMSc held a number of workshops in 2021, at which Northern Star and industry peers contributed through modern slavery knowledge share presentations. Northern Star's presentation focused on our policies procedures and processes to manage modern slavery risks, including our Supplier Code of Conduct, modern slavery supplier surveys and due diligence, and our supplier selection process for conducting third party audits.

Northern Star continues to collaborate with the group to keep abreast of issues and opportunities for further collaboration as an industry group, including on:

- risks in the shipping and seafarers industry;
- development of a remediation protocol to assist with responding to modern slavery within supply chains; and
- external training providers.

Northern Star is also a member of various industry groups including the Gold Industry Group, which is another avenue through which we collaborate with our industry peers on emerging issues and risks including modern slavery, as well as to share experiences, resources and build best practices in our approaches to human rights and sustainable business practices more broadly.

## Remediation – Corrective Action Response Protocol

Northern Star is developing a modern slavery corrective action response protocol (**protocol**), to complement corrective action plans and to guide the Company's response and actions should modern slavery be identified in our direct or indirect supply chain. The protocol outlines the key steps to be taken in responding to suspected or actual instances of modern slavery within our direct or indirect supply chain. The protocol includes template corrective action plans and is currently undergoing final review and will be approved in FY2022 and summarised in more detail in our Modern Slavery Statement for the next reporting period.

The protocol has been developed for use in collaboration with available materials such as the Walk Free Remedy Protocol, which is due for release in FY2022. Once finalised, the protocol will be communicated to key employees via the Procurement Social Responsibility Working Group.

## Case study: Disposable glove investigation

During the reporting period, Northern Star responded quickly to potential modern slavery occurrences in our supply chain, through ongoing collaboration with our suppliers and their compliance with our Supplier Code of Conduct. Our Supplier Code of Conduct requires suppliers to disclose to Northern Star any confirmed or suspected breaches of human rights in the supplier's supply chain as soon as practicable.

In May 2021, Northern Star was alerted by one of our suppliers to our Pogo Operations in Alaska, United States, that they had discovered potential modern slavery offences during an audit of their own supply chain. The supplier advised our Pogo site-based management team that a shipment of disposable nitrile gloves manufactured in a Malaysian factory of a major global supplier had been seized by US Customs and Board Patrol, based on information indicating that the factory was using forced labour to produce the gloves.

Having completed the Anti-Slavery Australia training module, the Pogo management team immediately escalated this information to our General Counsel, who instructed the Procurement Social Responsibility Working Group to undertake further investigation and follow up action.

The Procurement team's investigation included:

- obtaining a third party due diligence report on the identified supplier to verify the accuracy of the information received;
- identifying all areas within our operations in which disposable gloves may be used, including catering, cleaning, accommodation and other facilities services; and
- working with our purchasing team to contact all known and potential suppliers of disposable gloves to our Australian and United States operations, alerting them to the discovery and asking them to verify the manufacturer and manufacturing location of the disposable gloves they supply to Northern Star.

Our suppliers were fully cooperative and enabled us to verify that all disposable gloves used in our operations are obtained from sources other than from the supplier accused of forced labour.

Although our investigations did not uncover the use of forced labour within our supply chain, we consider this a 'near miss' and a stark reminder of the prevalence of modern slavery practices.

We will continue to review our supply chain to ensure in particular that the disposable gloves we and our suppliers procure are not produced by workers subjected to modern slavery practices.

# Assessing the effectiveness of our actions

Northern Star recognises the importance of evaluating the effectiveness of all the actions we take to combat modern slavery.

Since releasing our first mandatory modern slavery statement we have taken the following steps to assess effectiveness and ensure continuous improvement of our modern slavery management practices.

## Stakeholder feedback

During FY2021, Northern Star engaged a third-party global strategic communications consultant to undertake interviews with key investors representing 25% of our register, covering a range of international and Australian institutions. The primary purpose of the confidential interviews was to identify stakeholder perceptions of Northern Star's ESG performance including human rights.

Following the merger with Saracen Minerals Limited on 12 February 2021, further investor interviews were conducted to reflect the changed share register. This increased coverage of our ESG investor perceptions survey to over 30% of our register.

The survey highlighted the following as strengths in Northern Star's approach to modern slavery, as disclosed in our FY2020 statement:

- Continued increase in the level of disclosure and traceability.
- Due diligence on tier one suppliers.
- Inclusion of case studies in Sustainability Reports and modern slavery statements.
- Understanding supply chain and where instances of modern slavery could arise.

In this FY2021 Statement and in Northern Star's ongoing practices, we are endeavouring to improve upon the various opportunities for improvement identified in the interviews, such as:

- Include greater detail on results from supplier surveys including quantifiable numbers and time series data.
- Reliance on self-reporting by suppliers.
- Conduct on the ground audits to understand what the conditions really are, including working conditions and living conditions where appropriate.
- Increase disclosures around the supply chain.
- Report on instances of modern slavery within the supply chain and remediation.

## Supplier due diligence

We consider our modern slavery supplier surveys to be an effective tool to identify potential risks in our supply chain that may not otherwise be apparent through our tendering and supplier onboarding processes – particular given our increasing survey response rate (846 suppliers completed our 2020 SAQ).

Our surveys also enable us to follow up with suppliers who raise high risk flags from a human rights perspective. As outlined in the [Due diligence – existing suppliers](#) section on page 9, our deep dive engagement with suppliers is aimed at improving suppliers' ability to recognise and respond to modern slavery risks and encouraging their key personnel undertake online training programs.

We recognise that due to the wide range of goods and services we procure, there are a large number of businesses beyond tier one of our supply chain in relation to which we have limited visibility. We believe this poses a potentially significant risk of modern slavery being present deeper in our supply chain. This is the reason we survey all our direct suppliers about their supply chain and practices, conduct third party audits and engage with our suppliers to provide modern slavery training and information.

## Third party audits

We acknowledge that reliance on internal supplier surveys does not constitute robust risk management of modern slavery and human rights risks. For this reason, during the reporting period we appointed experienced auditors Intertek to conduct on-the-ground audits and desktop audits (where COVID-19 restrictions did not permit physical inspections) of high-risk suppliers within our supply chain. See [Audits and Corrective Action Plans](#) section on page 11 for further details.

## Grievance mechanisms

We also track performance through our complaints and grievance mechanisms that capture all issues related to suppliers. We have not to date received whistleblower reports or other complaints relating to actual or threatened modern slavery or other human rights abuses at our operations or in our supply chain, however we continue to encourage our workers and business partners to do so should a concern ever arise.

If a whistleblower report is made in relation to a supplier, we would work closely with them to investigate the allegation made and where substantiated, we would assist them to fully, appropriately and quickly resolve issues within their workforce in accordance with our corrective action response plan.

# Planned actions for the next reporting period

We are committed to continuous improvement in all aspects of our business operations, and this extends to our commitment to take meaningful steps to identify and combat our modern slavery risks, and maintain responsible and transparent supply chains.

In FY2022 Northern Star has committed to:

- Follow up on agreed corrective action plans to address and remediate the issues identified in the third-party audits we conducted in Australia and India.
- Complete a deep dive review of suppliers whose 2020 SAQ responses raised a high number of risk flags.
- Roll out mandatory training to a wider group of relevant employees, to improve in-house ability to identify and address modern slavery risks to our operations and supply chain.
- Promote this training to all employees and contractors, as well as general awareness training and materials.
- Track the level of understanding of modern slavery risks among our employees to assess the effectiveness of our training and awareness initiatives.
- Identify ways to promote and make accessible modern slavery training to all suppliers, but particularly those identified as having higher inherent risks of human rights issues.
- Consider including information on modern slavery within our Company-wide inductions and rolling out supplier training to increase awareness of and ability to address modern slavery in our business and supply chains for all employees, contractors and suppliers.
- Continue to administer the SAQ to our suppliers and work with them to address any issues identified.
- Conduct further on-site audits of identified high risk suppliers.
- Conduct a formal modern slavery risk review workshop with multidisciplinary input and third party expert oversight. The process would involve determining specific human rights risks including modern slavery practices, and assessing our current and proposed mitigation and management practices, to be recorded in a modern slavery risk register. The register would be presented for review and endorsement by the Board's Audit & Risk Committee, with a view to modern slavery risks being assessed in the context of and potentially being included in Northern Star's corporate risk register.
- Review policies, procedures and standards, and supplier contracts, to ensure they reflect our evolving modern slavery commitments.
- Identify ways to increase awareness of Northern Star's grievance mechanisms within our employees, suppliers and other stakeholders.
- Include greater details on our supply chain, identified modern slavery risks and our mitigating practices in our CY2021 Sustainability Report. We recognise that the transparency of disclosures regarding our supply chain requires continuous improvement.

We look forward to sharing our progress in our CY2021 Sustainability Report to be published in early 2022, and our FY2022 Modern Slavery Statement to be published in August 2022 (together with our FY2022 Annual Report).

This Statement was approved by the Board of Directors of Northern Star Resources Limited on 24 August 2021, on behalf of the Company and the wholly-owned subsidiaries covered by this Statement.



**Michael Chaney**  
Chairman  
Northern Star Resources Limited

24 August 2021

# Appendix: Mandatory criteria for modern slavery statements

This table indicates the section of the Statement in which mandatory criteria in section 16(1) of the *Modern Slavery Act 2018* (Cth) is addressed:

Section	Criteria	Refer to Section of this Statement
14(2)(c)	The entity giving the statement must ensure that it is prepared in consultation with each reporting entity covered by the statement.	<a href="#">Consultation with group entities</a> on page 2
14(2)(d)	The entity giving the statement must ensure that it is approved by the principal governing body of: <ol style="list-style-type: none"> <li>each reporting entity covered by the statement; or</li> <li>an entity (the higher entity) which is in a position, directly or indirectly, to influence or control each reporting entity covered by the statement, whether or not the higher entity is itself covered by the statement; or</li> <li>if it is not practicable to comply with subparagraph (i) or (ii)—at least one reporting entity covered by the statement.</li> </ol>	<a href="#">Annual Modern Slavery statements</a> on page 2
14(2)(e)	The entity giving the statement must ensure that it is signed by a responsible member of: <ol style="list-style-type: none"> <li>if subparagraph (d)(i) applies—each reporting entity covered by the statement; or</li> <li>if subparagraph (d)(ii) applies—the higher entity; or</li> <li>if subparagraph (d)(iii) applies—each reporting entity to which the subparagraph applies.</li> </ol>	<a href="#">Signature</a> on page 14
16(1)(a)	Identify the reporting entity.	<a href="#">Reporting entity &amp; period</a> on page 2
16(1)(b)	Describe the structure, operations and supply chains of the reporting entity.	<a href="#">Where we operate, Company structure and Our workforce and supply chain</a> on page 4
16(1)(c)	Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls.	<a href="#">Modern slavery risks in our operations &amp; supply chain</a> on page 7
16(1)(d)	Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes.	<a href="#">Action taken to address key modern slavery risks</a> on page 8
16(1)(e)	Describe how the reporting entity assesses the effectiveness of such actions.	<a href="#">Assessing the effectiveness of our actions</a> on page 13
16(1)(f)	Describe the process of consultation with: <ol style="list-style-type: none"> <li>any entities that the reporting entity owns or controls; and</li> <li>in the case of a reporting entity covered by a statement under section 14—the entity giving the statement.</li> </ol>	<a href="#">Consultation with group entities</a> on page 2
16(1)(g)	Include any other information that the reporting entity, or the entity giving the statement, considers relevant.	Other relevant information has been included throughout this Statement.
16(2)(a)	For a statement to be given under section 13 (modern slavery statements for single reporting entities)—details of approval by the principal governing body of the reporting entity	Not applicable
16(2)(b)	For a statement to be given under section 14 (joint modern slavery statements): <ol style="list-style-type: none"> <li>details of approval by the relevant principal governing body or bodies; and</li> <li>if subparagraph 14(2)(d)(iii) applies—an explanation of why it is not practicable to comply with subparagraph 14(2)(d)(i) or (ii).</li> </ol>	<a href="#">Board approval</a> on page 2

For further information on Northern Star's environmental social responsibility and governance performance, and other sustainable business practices, see our latest Sustainability Report via the Sustainability dropdown menu on our website at: [www.nsrld.com/sustainability/](http://www.nsrld.com/sustainability/).