

# Boart Longyear Group Limited (BLY)



2442 South Sheridan Way  
Mississauga, Ontario L5J 2M7 Canada



## Modern Slavery Statement

2022

## Who We Are

Boart Longyear Group Limited ARBN 652 848 103 (**Boart Longyear** or **Company**) is an Australian public company (ASX: **BLY**) with its registered business address located at 2442 South Sheridan Way, Mississauga, Ontario L5J 2M7 Canada. Boart Longyear's management is headquartered in Salt Lake City, Utah, USA.

Established in 1890, Boart Longyear is in its 133rd year as the world's leading provider of drilling services, orebody-knowledge technology, and innovative, safe and productivity-driven drilling equipment. With its main focus in mining and exploration activities spanning a wide range of commodities, including copper, gold, nickel, zinc, uranium, and other metals and minerals, the Company also holds a substantial presence in the energy, oil sands exploration, and environmental sectors.

The Global Drilling Services division operates for a diverse mining customer base with drilling methods including diamond coring exploration, reverse circulation, large diameter rotary, mine dewatering, water supply drilling, pump services, production, and sonic drilling services.

The Global Products division offers sophisticated research and development and holds hundreds of patents to manufacture, market, and service reliable drill rigs, innovative drill string products, rugged performance tooling, durable drilling consumables, and quality parts for customers worldwide.

Veracio, a wholly owned Boart Longyear subsidiary, offers mining clients a range of solutions that improve, automate, and digitally transform their orebody sciences by championing a modern approach through a diverse product portfolio by fusing science and technology together with digital accessibility. Veracio leverages AI and advanced analytics to accelerate real-time decision making and significantly lower the cost of mineral exploration.

Boart Longyear Group is the parent entity of the Boart Longyear group of companies, owning or controlling subsidiary entities located or operating in countries across Asia Pacific, North and South America, Europe and Africa regions, which provide products, services or perform manufacturing as part of Boart Longyear's global operations. A list of the entities that belong to the Boart Longyear Group is available from its 2022 Annual Report [HERE](#). The Boart Longyear Group is managed as a single business with a common set of systems, policies, procedures, and controls including those relating to the identification and mitigation of modern slavery and human trafficking risks.

Boart Longyear's directors, management and employees are required to adhere to the Company's core values (as set out on the Company's website [HERE](#)), act with integrity at all times and maintain high ethical standards.

In 2022, the Boart Longyear Group had a total revenue of \$1.039 Million, and employed a global workforce of approximately 5,894 workers. Female representation among all employees (excluding drillers and driller helpers) increased to 17.89% (compared to 17.29% in 2021 and 16.9% in 2020). Its workforce diversity details can be found in its most recent Corporate Governance Statement at pages 10-11 [HERE](#). In 2022, the Company continued the implementation of its ESG program, including hiring additional roles to oversee the ESG program and by reorganising the internal ESG committee and forming regional ESG committees to support the Company globally. Details of Boart Longyear's progress in relation to its ESG program are available [HERE](#).

This Modern Slavery Statement (**Statement**) is intended to meet the disclosure requirements of the *Australian Modern Slavery Act 2018* (Cth), the United Kingdom *Modern Slavery Act 2015* (UK) and *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (CAN), as applicable, and other jurisdictions that may be required, for the reporting period 1 January 2022 to 31 December 2022. Boart Longyear's board of directors have approved this Statement. This Statement covers all entities within the Boart Longyear Group and each entity is bound by Boart Longyear's relevant policies, procedures and systems as described in this Statement, including those relating to contracting, purchasing and human resources. This Statement was also prepared in consultation with the Company's subsidiaries consistent with the requirements under the Modern Slavery Acts in those subsidiaries' countries.

## Our Operations & Business

Founded in 1890, Boart Longyear is a recognised mining services leader with a distinct reputation for drilling innovation. Boart Longyear's vision is to be the global industry leader in safety, drilling innovation and productivity. The Company values of integrity, health & safety, teamwork & diversity, customer focus and sustainability define what matters most in the Company's continued success and serve as a guide for its decisions and business operations so that the Company may best serve its shareholders, customers, suppliers and fellow employees. We are proud of our reputation as an ethical company and operate in accordance with local, regional, and national laws and regulations and strive to follow both the letter and the spirit of the law.

Boart Longyear's organisation is comprised of three divisions that drive long-term growth.

- Drilling Services, across both exploration and production, including:
  - surface
  - underground (exploration, grade control, longhole production)
  - water well and pump services (environmental and geotechnical services)
- Veracio, leveraging artificial intelligence and advanced analytics to accelerate real-time decision-making and significantly lower the cost of mineral exploration, through:
  - core scanning
  - chip scanning
  - downhole logging
- Drilling Products, including supply of equipment, servicing and spares for:
  - exploration
  - mine operation
  - non-mining (including sonic and multipurpose equipment)

As the nature of the mining landscape is ever changing, so do Boart Longyear's suppliers. Depending on the nature of services and products provided by our suppliers, Boart Longyear may use long-term services agreements or more short-term supply agreements. Boart Longyear also contracts with several distributors and agents to assist with the marketing and sale of its products.

## Our Supply Chain

Boart Longyear is committed to effectively assessing and addressing modern slavery and human trafficking risks in its supply chain as well as in its own operations. Our global sourcing approach involves strategically sourcing goods and services for uniform and reliable procurement processes across all operations.

Boart Longyear has between 5,000-5,400 suppliers globally, located in a variety of countries across Asia Pacific, North and South America, Europe and Africa. Boart Longyear's supplier relationships are managed by its centralised Supply Chain function, with offices and hubs operating in each of the regions where Boart Longyear does business. The Company implements a common approach and set of policies and procedures to vet, contract with, and manage its suppliers globally.

The main goods and services Boart Longyear procures as part of its operations include raw or unfinished materials for the manufacturing of its own products, as well as products used in the supply of drilling services, support services, legal and accounting services, transportation and logistics services, mobile equipment fleet, consumables and services, facilities maintenance, specialist Environmental, Health and Safety services, IT services, and telecoms and communications services.

## Supplier Requirements

Boart Longyear values safe, efficient and innovative suppliers and we expect fair and competitive evaluation and selection processes. The Company expects its business partners to maintain high standards and is prepared to withdraw from agreements and cease relationships with non-compliant suppliers. All vendors are required to comply with Boart Longyear's corporate and supply chain-specific policies as set out on Boart Longyear's website vendor page [HERE](#):

Such policies include:

- Code of Conduct
- Environmental, Health & Safety

- Human Rights
- Anti-Money Laundering
- Anti-Bribery and Corruption
- Diversity, Equity and Inclusion
- Procurement Practices
- Competition and Anti-Trust
- Global Sanctions and Export Controls

Wherever the Company operates, Boart Longyear complies with and supports efforts to ensure fair and legal pay as well as safe working conditions. Boart Longyear avoids entering third-party arrangements which could potentially violate human rights and expects all third parties to share the same commitment. Throughout 2022, the Company supply chain was not negatively impacted given the proactive assessment process of potential suppliers before entering into agreements.

As of 2022, all new suppliers must agree to comply with Boart Longyear's Code of Conduct and the Human Rights Policy. In addition, new suppliers of services in high risk categories (eg, logistics, accounting/finance) and all new suppliers located in regions identified as having higher human rights and other compliance risks (including Indonesia, Africa and China) must agree to Boart Longyear's Anti-Bribery and Human Rights Warranty Obligations, which can be viewed [HERE](#).

All such new suppliers who are regarded as potential high risk are also required to complete Boart Longyear's 3<sup>rd</sup> Party Questionnaire which can be viewed [HERE](#). The questionnaire specifically addresses risks and issues relating to modern slavery and human rights concerns as well as bribery and corruption risks. Completed questionnaires are reviewed by the Company's Supply Chain personnel as well as its Legal department.

## **Modern Slavery Risks**

### ***1. Services and Products Sourced within High-Risk Countries***

During 2022, Boart Longyear continued its review and analysis of its operations and supply chains. As a result of the continued review, Boart Longyear identified that its operations in the following countries are exposed to enhanced levels of modern slavery risks, primarily because of the prevalence of modern slavery risks in these areas:

- Democratic Republic of Congo
- Indonesia

During 2022, Boart Longyear exited Eritrea and there is no inventory stored or drilling services being performed in this country. Boart Longyear no longer has any employees in Eritrea and did not purchase any inventory in 2022 for Eritrea.

In the Democratic Republic of Congo, Boart Longyear purchases some supplies for its drilling services as well as purchasing tooling, fuel, personal protective equipment, vehicle spares, and specialist support services from third parties including taxation and legal services, catering, security services, logistics services, procured travel and expense management; the Company also has leased and contracted temporary labor.

In Indonesia, Boart Longyear purchases some supplies for its local drilling services business and also purchases specialist support services from third parties including taxation services, logistics services, legal services, facilities maintenance, financial services, travel and expenses, insurance, EH&S, security services, and equipment rentals.

Boart Longyear seeks to manage the risks of modern slavery to which its business is exposed in the above and other countries where it operates through its stringent vendor and supplier requirements as set forth above under "Our Supply Chain", and the additional mitigations and measures described below under "Our Approach to Modern Slavery".

### ***2. Employee Wages and Entitlements***

Boart Longyear works to ensure that it meets all minimum requirements for employee and worker wages and entitlements, wherever it operates, through its global Human Resources team. As expressed in its Code of Business Conduct, Boart Longyear also supports the principles of freedom of association and the right to participate in unionised and other forms of collective bargaining. The Human Resources Managers

annually note the minimum wage and employee entitlements for each of their region's countries to confirm Boart Longyear's compliance with same.

## Our Approach to Modern Slavery

Boart Longyear's corporate values drive and guide our daily interactions and operations. Boart Longyear further defines its values through its Code of Conduct, which is the framework for the Company's own success and the success of the Company's stakeholders.

Furthermore, Boart Longyear's Human Rights Policy launched in August 2022, reflects the Company's commitment to act ethically and responsibly in all business activities and to respect the human rights of all stakeholders impacted by the Company's operations. It describes the core principles that underline the Company's commitment and the steps to turn those values into action.

Boart Longyear respects those rights set out in the International Bill of Human Rights and the eight ILO core conventions as set out in the Declaration on Fundamental Principles and Rights at Work (ILO Core Conventions). The Company seeks to avoid causing, contributing to, or being directly linked to any actions that adversely impact human rights, and provide for or cooperate in, their remediation when they do occur.

Boart Longyear believes continual improvement is vital to ongoing success. Throughout 2022, the Company reviewed its compliance and governance framework and developed a three-year action plan with a focus on initiatives to best operationalise its values, including an emphasis on training and compliance processes and controls. The Company also published eight new or revised policies including:

- Human Rights
- Collective Bargaining
- Conflict Minerals
- Disclosure
- Diversity, Equity and Inclusion
- Environmental, Health and Safety
- Retaliation and Whistleblower
- Procedure for Escalation and Investigation of Code of Conduct Reports

### 1. *Due diligence program*

Boart Longyear values safe, efficient and innovative suppliers and expects fair and competitive evaluation and selection processes. The Company expects its business partners to maintain high standards and is prepared to withdraw from agreements and cease relationships with non-compliant suppliers. Wherever the Company operates, Boart Longyear complies with, and supports efforts to, ensure fair and legal pay as well as safe working conditions. Boart Longyear avoids entering third-party arrangements which could potentially violate human rights and expects all third parties to share the same commitment.

In late 2019, Boart Longyear amended its Third Party Questionnaire by including additional questions relating to risks and mitigation against modern slavery. A cross section of such questions include:

- *What policies and procedures does your company have in place to identify and address risks of modern slavery and human trafficking within its operations and supply chain?*
- *Does your company require your suppliers to accept and comply with your guidelines and policies?*
- *Have you or your company previously been accused of or investigated for any violation of modern slavery or human trafficking laws?*
- *Has your company ever been audited (including by an auditor appointed by a third party) for compliance with human rights, modern slavery and human trafficking laws?*
- *Does your company have a process for workers and agents to report, without fear of retaliation, matters related to slavery, human trafficking or other human rights violations?*
- *Does your company have any workers that:*
  - are children;*
  - are remunerated in any way other than the payment of money directly to that worker;*
  - live at the workplace or on property owned by the company;*
  - are not paid for the work they carry out;*
  - are working to repay a debt to a third party or the company?*

Boart Longyear also updated its Supplier warranties which its service providers are required to sign containing specific undertakings and obligations relating to modern slavery risks, including:

- complying with Boart Longyear's Code of Business Conduct and applicable human rights laws (specifically at page 18);
- taking reasonable steps to assess and address modern slavery risks in their operations and supply chains;
- notifying Boart Longyear of any specific instances of modern slavery identified in their operations or supply chains – details of who to notify are located at pages 44-45 of Boart Longyear's Code of Business Conduct.

Boart Longyear also updated its various third party contracts to include corresponding warranties and obligations, as well as enabling Boart Longyear to summarily terminate any contracts for any violations.

In 2022, the Company did not identify any evidence of slave or forced labour, child labour, or human trafficking in any of its operating countries.

As part of our continuous improvement approach to ensure efficient processes, in 2022, the Company selected a new third-party risk management platform to support a new vendor due diligence and onboarding procedure scheduled for implementation in 2023. The platform will further enhance the Company's existing due diligence program and controls through automation – streamlining our global and standard due diligence processes before entering into business with third parties.

## **2. Boart Longyear Policies**

The Company's 2022 Human Rights Policy reflects its commitment to act ethically and responsibly in all business activities. The Company is committed to respecting and observing all human rights, as articulated in the Universal Declaration of Human Rights, and the International Labour Organization Core Conventions.

Boart Longyear's policies which address human rights and modern slavery risks include its:

- Code of Conduct (at page 18)
- Human Rights Policy
- Procurement Practices Policy (at page 9)
- Diversity, Equity and Inclusion Policy
- Retaliation and Whistleblower Policy

Under Boart Longyear's Procurement Practices Policy, suppliers are required to:

- maintain policies that respect basic human rights without distinction on any basis, including rights to life, liberty and security of person, freedom from slavery and cruelty and equal protection under relevant laws;
- maintain policies that prohibit employment of forced, bonded or child labour; and
- be committed to non-discrimination policies on grounds of age, ethnic or social origin, gender, sexual orientation, politics and religion.

All of Boart Longyear's full time or part time field employees, office employees, supervisors, executives and directors, as well as vendors and suppliers, service providers, consultants and other third parties are required, as a condition of employment or engagement, to comply with Boart Longyear's Code of Conduct and other applicable Company policies. The Code of Business Conduct specifically requires observance of laws relating to human rights, including wherever Boart Longyear operates, people are to have:

- the freedom to choose whether or not to work;
- fair and legal pay;
- safe working conditions;
- legal and reasonable hours; and
- freedom of association or collective bargaining

## **3. Whistle-blowing**

Boart Longyear encourages a 'speak up' culture by encouraging employees and third party providers to provide their feedback and raise questions and concerns without fear of retaliation. Boart Longyear's

Compliance Helpline posters are posted at every work site and throughout each global facility. During 2022 the Company updated its helpline and code of conduct posters, to include a QR code on each poster to facilitate reporting violations, as well as providing access to the Company's main compliance documents, such as the Code of Conduct and Human Rights policy.

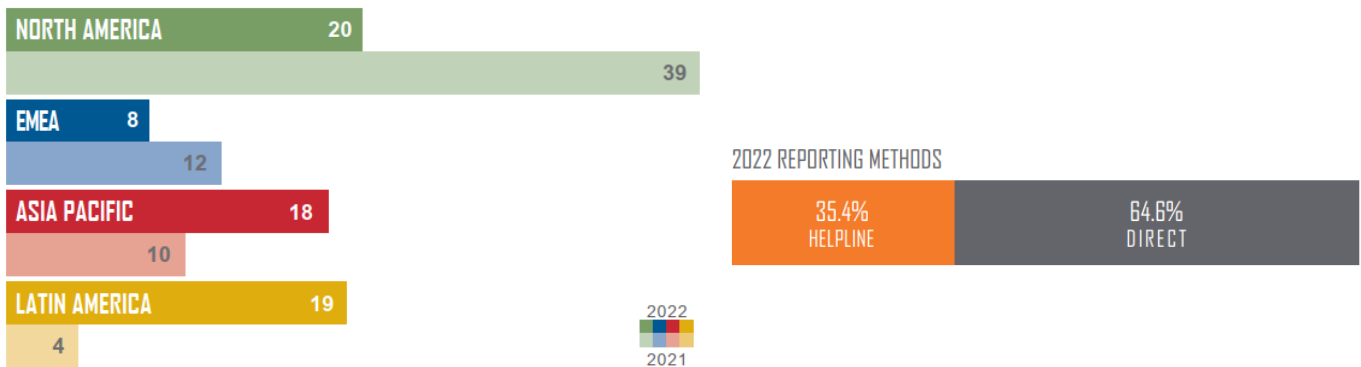
Under Boart Longyear's corporate policies, if anyone suspects any human rights violations (or any other compliance violations), they are required to report their concern immediately to a supervisor (who is required to escalate the report to Human Resources or Legal), to Human Resources, to the Legal Department or to the Boart Longyear Compliance Helpline available [HERE](#).

The Helpline is operated by a third party provider and Boart Longyear's Retaliation and Whistleblower Policy outlines the mechanisms available for reporting and the investigation and communication process that will be followed. This policy also provides protection for employees, suppliers and other third parties who do speak up, with the ability to make reports anonymously and other protections available to whistleblowers.

The Company's 2022 efforts correlate to a 20% increase in direct reporting of compliance concerns received by supervisors, the Legal and Human Resources departments. The increase in reporting suggests greater confidence in our internal processes as highlighted in the reporting graph below and attributed to:

- streamlining the helpline intake process;
- conducting live training to address concerns with a targeted educational campaign in multiple languages;
- improving our Code of Conduct case management by implementing a consistent and credible investigation process which strives to reduce the investigation period to 90 days;
- providing feedback to reporting colleagues; and
- creating a new procedure for escalation and investigating Code of Conduct reports.

The following graphic segments the number of reports made by region and year:



Boart Longyear was not subject to any fines or litigation relating to business ethics in 2022.

#### 4. Management and Handling of reports

Boart Longyear is committed to fostering a culture of compliance, good corporate governance and ethical behavior and encourages the reporting of improper, unlawful or unethical behavior. Every employee at the Company has the responsibility to read, understand and follow the Code of Conduct and related policies. Whenever a report is made, the Company treats it with confidentiality, care and respect, including when investigations are conducted. Investigating conduct that potentially involves a violation of Boart Longyear's Code of Conduct, related policies including the Human Rights Policy or applicable laws is one of many ways that Boart Longyear strives to maintain a culture of integrity.

In August 2022, the Company updated its Procedure for Escalation and Investigation of Code of Conduct Reports including Human Rights reports to clearly identify who in the organisation is responsible for ensuring appropriate escalation, investigation and handling of such reports. Any employee, contractor or third party who in good faith believes there is a potential or actual violation of the Code of Conduct, any Boart Longyear policies or any law should raise and report their concern to their supervisor, any manager or supervisor of the Human Resources Department, any internal counsel of the Legal Department or the Compliance Helpline.

The Office of the General Counsel of Boart Longyear, led by the Chief Legal Officer, is responsible for assessing and evaluating Reports and ensuring proper investigations are implemented by appointing a lead investigator, based on expertise as well as subject matter. All Reports will be reviewed and promptly investigated; appropriate corrective action will be taken if warranted by the investigation.

## **5. Boart Longyear Training**

Integrity is one of our values and the foundation of our compliance program. Driving and guiding ethical behaviour through education, visible leadership and communication are essential elements of our compliance program. Each year, our employees undertake compliance training to refresh and reaffirm their commitment to Boart Longyear's Code of Conduct. During the year, the Company established a multidisciplinary Corporate Training Coordination Committee and developed a 2023 master training plan, which is organised by audience and subject matter.

All new employees receive on-line Code of Conduct training and certification at the commencement of their employment. Thereafter, Code of Conduct training occurs every year.

Commencing in 2020, Boart Longyear instituted tailored modern slavery and human rights training for all employees which continues on a 3-year cycle. The training focuses on what constitutes modern slavery and Boart Longyear's responsibilities under the Modern Slavery Acts. All Boart Longyear on-line training includes a compulsory quiz for completion and certification.

In addition to on-line training, Boart Longyear's legal and internal audit teams provide in-person (or video conference) training sessions in all of its regions (LAM, APAC, EMEA, and NAM) on compliance with the Code of Conduct, and specific provisions including Human Rights and the Compliance Helpline procedures.

Boart Longyear's 2022 focus was on live training as opposed to individual online learning, to improve connection with our workforce after COVID-related limitations during 2021 while enhancing integrity leadership, understanding of the company compliance program and strengthening relationships. Highlights for the year include:

- Increased live training sessions by 142% over 2021 with 625 employees participating;
- Introduced a certification including human rights questions; more than 1,100 employees completing it;
- Implemented diversity, equity and inclusion (DEI) training with more than 1,100 employees completing the online course;
- Experienced a 20% increase over 2021 in direct reporting (through management) of compliance concerns following a targeted campaign to improve employee trust of non-retaliatory 'speak up' culture and define clear steps to escalate concerns;
- Online governance and compliance training was conducted for 250 newly hired employees in high-risk positions, including sections on human rights, insider trading, bribery, prevention of money laundering and fraud, and reporting concerns.

## **6. Contractual Right to Terminate for any Violation of Human Rights**

Boart Longyear's own contract templates with its suppliers provide for the right of termination in the event Boart Longyear concludes in its sole discretion that the other contracting party has breached (or that a breach is likely to occur) any representation, warranty or undertaking relating to compliance with Human Rights issues including, but not limited to, modern slavery laws.

## **7. Risk Management**

Boart Longyear places a high priority on the management of operational risks, compliance, and regulations. The Board recognises the ability to deliver on our vision, strategic objectives and operating guidance depends on our capacity to understand and appropriately respond to the uncertainties or risks we face which may prevent us from achieving our objectives. The Company recognises disciplined risk management and sound internal controls are fundamental to good corporate governance.

Boart Longyear maintains an enterprise risk management (ERM) system to systematically assess the consequences of risk in areas such as market, health and safety, environment, finance, legal compliance, and reputation, and monitors appropriate mitigation actions for identified risks. As of 2022, Boart Longyear's current program includes 116 top risks ranked on a standard '5 by 5' heat map based on risk consequence and



likelihood of occurrence. Risk consequence is determined based on an EBITDA/cash and/or safety impact.

In 2022, the Company began the process of updating its risk matrix and related controls with special attention to ESG-related risk to proactively manage and align with our global standards.

The Board annually reviews the risk registers prepared by corporate management, the risk management framework and the steps taken by management to implement appropriate controls and mitigate risk. In 2022, individual risk assessments were performed as necessary, such as the impact from the war in Ukraine and global supply chain disruptions.

## **Reviewing our systems and goals for next year**

As part of its commitment to affectively assess and address modern slavery risks in its supply chain and operations through FY 2023, the Company will focus on enhancing our third-party due diligence procedures, by reviewing, updating and implementing a due diligence and third-party onboarding process for improved tracking and measuring modern slavery and human trafficking risks. The procedure will be supported by an automated platform to facilitate controls and reporting. With this implementation the Company will be able to improve management in relation to KPIs associated with Human Rights and Modern Slavery.

In 2023, a country anti-corruption risk assessment will be implemented in three high-risk jurisdictions. The ERM program is supported by a robust audit and insurance program also led and administered by the corporate risk and insurance department.

The Company will focus on increasing live training participation by 20% more than in 2022 and prioritise the communication and awareness of the compliance policies including human rights. As part of these efforts, the Company will also create a standalone poster and communication pieces for Human Rights and Modern Slavery.

## **Approval**

Approved by the Board of Directors of Boart Longyear Group Limited on 26 June 2023 (Mountain Daylight Time).



Rubin McDougal  
Chair, Boart Longyear Group Limited