



## 2021 MODERN SLAVERY STATEMENT



## INTRODUCTION

This Modern Slavery Statement represents our second statement under the Modern Slavery Act 2018 (Cth) (the “Act”) for the period ended December 31, 2021.

Modern slavery presents one of the most complex human rights challenges worldwide. Globally it is estimated that 40 million people are victims of modern slavery, with approximately 15,000 of those living in Australia<sup>1</sup>. Businesses today are connected through extensive, multi-tiered supply chains that stretch across borders. We all have a role to play to combat this issue.

Billabong Gold Pty Ltd (ACN 613 900 922) (“Billabong” or the “Company”) welcomed the introduction of the Act and commenced work to identify and address the risk of modern slavery in its operations and supply chains. As a values-driven organisation, the Company is committed to protecting human rights wherever it operates. We see this as a fundamental element of our corporate responsibility and inherent in our contribution to sustainable development.

## REPORTING ENTITY

Billabong is a wholly owned Australian subsidiary of Superior Gold Inc., which is a Canadian-based public company listed on the Toronto Stock Exchange (TSXV: SGI) (“Superior Gold”). For purposes of this Statement, Billabong, is the reporting entity as defined in the Act. Billabong as the reporting entity does not own or control any other entity.

## GENERAL PRINCIPLES

This Modern Slavery Statement (the “Statement”) provides a set of steps, standards and procedures the Company has taken in order to recognize, identify and prevent modern slavery in its business and supply chains. Modern slavery can occur in many forms as defined by the Act, including slavery, servitude, child labour, forced labour, forced marriage, human trafficking, debt bondage, and deceptive recruiting for labour or services.

The Company is committed to the wellbeing of its people and the communities in which it operates. Protecting human rights is paramount in the Company’s business practices and the Company will not tolerate any forms of slavery in its business or supply chains.

## BUSINESS AND ORGANIZATIONAL STRUCTURE

The Company owns 100% of the Plutonic Gold Operations located in Western Australia and is also engaged in the acquisition, exploration, development and operation of gold resource properties primarily in Western Australia. The Company does not have any subsidiaries.

The principal product of the Company is gold in the form of doré bars produced from the Plutonic Gold Operations. The gold is refined under commercially competitive terms common to the industry and that meet internationally recognized delivery standards. The refiner credits the gold to the Company’s account and the Company then sells the gold into the market at spot prices with leading counterparties.

The Plutonic Gold Operations are isolated from major towns and cities and operate on a self-sufficient basis with materials and goods shipped to the site via the Great Northern Highway. Mine personnel

---

<sup>1</sup> <https://www.minderoo.com.au/global-estimates-of-modern-slavery/>

work on a fly-in/fly-out basis from Perth and the operation has a fully equipped camp providing services to employees and contractors.

As at December 31, 2021, the Company employed 312 salaried individuals. The Company also engages approximately 150 subcontractors, equating to approximately 57 full time equivalent employees, who are primarily based at the Plutonic Gold Operations.

The Company's supply chain includes the suppliers of products and services used in its mining operations, including catering, IT equipment, personal equipment and clothing and explosives. The Company mainly sources its products and services for its Plutonic Gold Operations from businesses and suppliers in Western Australia

## RISKS OF MODERN SLAVERY

### Operations

The mining industry in Australia is not considered high risk for modern slavery<sup>2</sup>. However, protecting the human rights of our workforce, suppliers and communities is of the utmost importance to the Company. The human rights most relevant for our operations are related to workplace safety, labour conditions, and the rights of native title groups and communities where we have an impact. We know that companies can inadvertently elevate the risk of human exploitation by placing unreasonable demands on suppliers and this is something we keep in mind when engaging with suppliers.

### Supply chain

The majority of our spend is in countries with low prevalence of modern slavery<sup>3</sup>. However, we understand that through the supply chain our footprint may stretch across borders and sectors that may carry elevated risks.

Our approach to assessing supply chain risk is based on product, sector, geographic and entity risks. Over the past 12 months we undertook a risk assessment of our tier one suppliers across exploration, delivery (transport), mining and support services. The assessment was based on a ranking of annual spend by supplier which also incorporated a risk-based assessment of the potential for material or supplies sourced outside Australia. The work was designed to provide a snapshot of our tier one supplier risk profile and it is expected that this work will continue to be used to identify modern slavery risks within the Company's supply chain.

## POLICIES AND GOVERNANCE

The Company's Board of Directors ("Board") has ultimate responsibility for corporate governance management and policies. The Company is guided by good governance policies and practices, operating ethically, honestly and with integrity. As such, the Company is committed to maintaining high standards in all aspects of reporting and corporate governance. The Company's commitment to good governance is guided by our corporate policies, including this Statement, which are available to internal and external stakeholders on our parent company's website ([www.superior-gold.com/corporate/corporate-governance](http://www.superior-gold.com/corporate/corporate-governance)). The key corporate policies driving governance and actions as they relate to modern slavery in addition to this Statement are summarized below:

<sup>2</sup> <https://www.globallslaveryindex.org/2018/findings/country-studies/australia/>

<sup>3</sup> <https://www.globallslaveryindex.org/2018/data/country-data/australia/>

- (1) Code of Conduct and Ethics: The Company maintains a code of conduct that sets out the ethical standards that directors, officers, employees, consultants and contractors of the Company are expected to abide by when engaged in the Company's business. All directors, officers, employees of the Company together with consultants and contractors specified by the Board certify annually that they are in compliance with the code and other policies.
- (2) Whistleblower Policy: The Company has adopted a Whistleblower Policy which provides procedures for reporting any breach or suspected breach of law, this Statement or any of the Company's corporate policies. The Whistleblower Policy also provides for an anonymous confidential reporting system where any person, regardless of where they reside, can report a concern regarding any legal, accounting matter or modern slavery issue without fear of dismissal, disciplinary action or retaliation.

## ACTION PLAN

During 2020, we formed a Modern Slavery Act Working Group and developed a two-year Action Plan to further our capacity to effectively manage modern slavery risk and ensure compliance with the Act. The Working Group comprised members of the Company's Finance, Commercial and Procurement teams to track progress against the Action Plan. The Action Plan covered tasks to be undertaken across policy and governance, risk, supplier remediation, training and communication, and reporting.

The Company has taken or will take further steps to complete the following actions to address and eliminate the risk of modern slavery within our business and supply chain:

- (1) Code of Conduct and Ethics: The Company amended its code of conduct and ethics policy to reflect the addition of the annual Modern Slavery Statement.
- (2) Whistleblower: The Company amended its whistleblower policy to reflect the addition of Modern Slavery. Any person reporting a matter through the online reporting service can now specifically select Modern Slavery as the reason for concern and provide details of the concern.
- (3) Supplier Assessment: The Company completed a process to identify key suppliers and contractors that may pose a higher risk to the Company's position and who may not have their own statement in place with regards to Modern Slavery. Where necessary, further action will be taken to make those suppliers identified as higher risk aware that Modern Slavery will not be tolerated in the Company's supply chain.
- (4) Supplier Contracts: The Company initiated the process of ensuring that supplier contracts that were renewed or amended included standard terms and conditions to include compliance with the Act. This process will continue as future supply contracts are completed or renewed, or alternatively, suppliers will be required to complete a supplier assessment questionnaire.
- (5) Training & Communication: The Company continues to be committed to further training to ensure awareness, including an annual signoff of the Company's code of conduct and ethics.

## MOVING FORWARD

The Company recognizes that there are opportunities for changing the approach to ensure that improvements are made in our Action Plan to strengthen our management controls, improve the

transparency of our risk profile and collaborate with suppliers where appropriate to address modern slavery risk. In particular, we will continue to focus on the following tasks:

**Effectiveness assessment** – we will improve on a framework for assessing the effectiveness of actions taken to manage modern slavery risk.

**Supplier screening** – we will continue to monitor our suppliers through our existing management system to flag high risk suppliers according to sector classification, location and spend.

**Risk detection** – we will continue with the risk based approach used to assess and identify modern slavery risks in our supply chain and prioritise those high risk suppliers for action.

**Awareness training** – we will provide training to equip our supplier and contract managers with the knowledge and skills to identify high risk suppliers and engage with them where appropriate.

**Supplier engagement** – we will engage with high risk suppliers where appropriate to determine the extent to which modern slavery risks are adequately managed or develop a supplier remediation plan to manage cases where further action is required.

**Policy review** – we will review and improve policies and procedures based on the outcomes of our actions during each year.

We are confident that the foundations we have laid and actions taken to date will assist us in addressing modern slavery risk but recognize this is a continuation of a longer term process. We are committed to reporting progress through annual modern slavery statements and look forward to working with our suppliers and industry partners to play a role in combating this global issue.

#### Queries

If you have any questions about this Statement, please contact the Chief Financial Officer and Director of the Company ([info@superior-gold.com](mailto:info@superior-gold.com)).

Approved for release by the Board of Directors on June 29, 2022



Paul Olmsted, Director, Billabong Gold Pty Ltd.