



# Modern Slavery Statement 2022

Creating value  
through opportunity



## Modern Slavery Statement 2022

### About this Statement

Sandfire's Modern Slavery Statement (Statement) outlines our commitment and actions taken to identify, manage and respond to modern slavery risks in our operations and supply chain.

The Statement has been prepared in accordance with Australia's Modern Slavery Act 2018 (Cth) (Modern Slavery Act) and relates to the financial year ending 30 June 2022 (2022).

All references to our, we, us, the Group, the Company and Sandfire refer to Sandfire Resources Limited (ABN 55 105 154 185) and its subsidiaries. All references to a year are the financial year ended 30 June 2022 unless otherwise stated.

### Feedback

We value your feedback. Please visit the Contact Us page of our website to provide your feedback on this statement or request additional information.

This statement has been approved by Sandfire's Board of Directors (Board) on 30 December 2022.



Jason Grace  
Acting CEO

## Introduction

Sandfire is an international and diversified sustainable mining company which is listed on the Australian Securities Exchange (ASX:SFR). With a strong operational base, our business is underpinned by a demonstrated commitment to the highest standards of safety, responsibility and sustainability.

Sandfire is committed to upholding the fundamental human rights of our people, the communities in which we operate, those within our supply chains and other stakeholders who interact with our business. If human rights impacts are identified, we work with the relevant parties to remedy.

Modern slavery presents one of the most complex human rights challenges worldwide. It is estimated that 50 million people were victims of modern slavery in 2021, with occurrences in almost all countries, including those where Sandfire has activities. The COVID 19 pandemic, armed conflict and climate change has heightened the risk of modern slavery across the globe with estimates of number of victims increasing by 10 million people since the previous 2016 estimate.<sup>1</sup>

Modern slavery includes serious human exploitation such as human trafficking, slavery, servitude, forced marriage, forced labour, debt bondage, child labour, and deceptive recruiting for labour or services.

As we continue to grow and diversify across the globe, we recognise that this has the potential to expose us to a heightened level of human rights and modern slavery risks.

While no instances of modern slavery have been identified in our operations or supply chains, we are committed to ensuring that we are able to identify and minimise the risk of causing, contributing or being linked to modern slavery practices.

Our Human Rights Policy governs our approach and is complimented by our Code of Conduct, Supplier Code of Conduct and Grievance Mechanism Standard.

Our focus for 2022 was the development of a robust framework of governance and systems that better enables us to achieve our goal of the identification of human rights risks.

**1 Engaged with the MATSA operation in regards to implementing our global human rights governance framework**

**3 Undertook a human rights impact assessment for the Motheo Hub**

**5 Educated our people on the risks associated with human rights and modern slavery**

**2 Enhanced our human rights governance framework across the group**

**4 Updated our Code of Conduct**

**6 Developed an integrated third party risk management solution**



<sup>1</sup> [The Global Estimates of Modern Slavery](#), was updated in 2022 and is the result of a collaboration between the International Labour Organization (ILO) and the Walk Free Foundation, in partnership with the International Organization for Migration (IOM).

## Assessment of Modern Slavery Risks

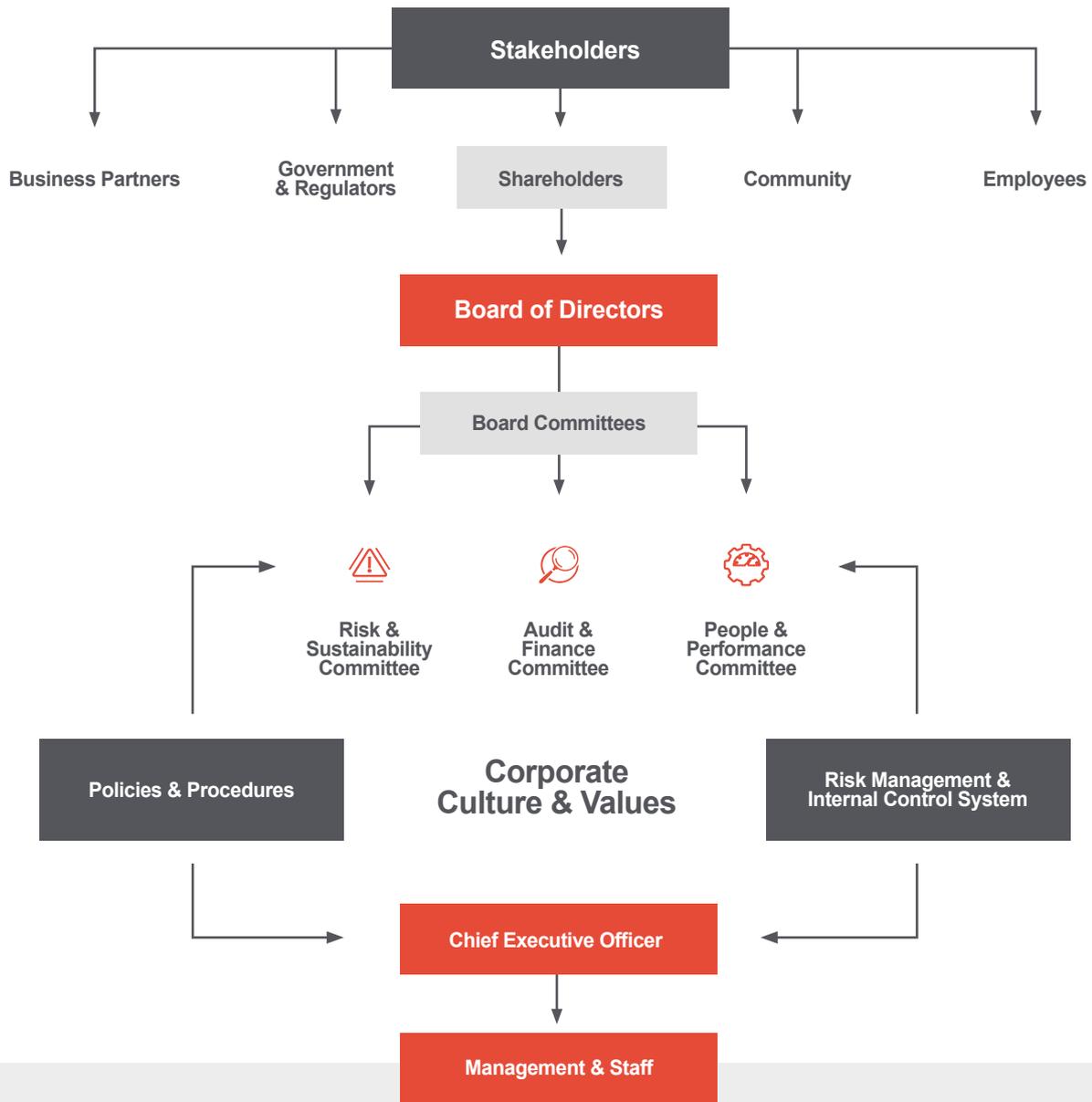
Mandatory Criteria	Statement Reference	Detail
Identify the Reporting Entity	<ul style="list-style-type: none"> <li>About this Statement</li> </ul>	
Describe the Reporting Entity's structure, operations and supply chains	<ul style="list-style-type: none"> <li>Governance Framework</li> <li>Where We Operate</li> <li>Our Value Chain</li> <li>Our Supply Chain</li> </ul>	<ul style="list-style-type: none"> <li>Corporate governance framework and supporting documents</li> <li>Operating locations map</li> <li>Procurement categories</li> <li>Spend by country</li> </ul>
Describe the risks of modern slavery practices in the operations and supply chains of the Reporting Entity and any entities it owns or controls	<ul style="list-style-type: none"> <li>Identifying Risks Of Modern Slavery Practices In Our Operations and Supply Chain</li> </ul>	<ul style="list-style-type: none"> <li>Risk assessment by operating location</li> <li>Risk assessment by procurement category</li> <li>Risk assessment by supplier location</li> </ul>
Describe the actions taken by the Reporting Entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes	<ul style="list-style-type: none"> <li>Sandfire Approach to Human Rights</li> <li>Our Approach To Manage Modern Slavery Risks</li> <li>Raising Grievances</li> </ul>	<ul style="list-style-type: none"> <li>Human rights policy and supporting standards and codes</li> <li>Supplier engagement</li> <li>Employee training</li> <li>Third Party Risk Management System and supplier questionnaire</li> <li>Grievance mechanism</li> </ul>
Describe how the Reporting Entity assesses the effectiveness of these actions	<ul style="list-style-type: none"> <li>Effectiveness of Our Approach</li> </ul>	<ul style="list-style-type: none"> <li>Risk reviews</li> <li>Key performance indicators</li> </ul>
Describe the process of consultation on the development of the Statement with any entities the Reporting Entity owns or controls (a joint statement must also describe consultation with the entity covered by the Statement)	<ul style="list-style-type: none"> <li>Consultation with Controlled Entities</li> </ul>	<ul style="list-style-type: none"> <li>Governance framework implementation</li> <li>Training</li> </ul>
Any other information that the Reporting Entity considers relevant	<ul style="list-style-type: none"> <li>Looking Ahead – 2023 Actions</li> <li>Raising Grievances</li> </ul>	<ul style="list-style-type: none"> <li>2023 Priorities</li> </ul>

## Governance Framework

Whilst the Board is responsible for establishing the corporate governance framework of the Group, at Sandfire, we believe good governance is the collective responsibility of all our management and staff. We believe that excellence in governance is intrinsic to our social license to operate and essential for the long-term sustainability of our business. Our governance framework supports our people to deliver our strategy and provides an integral role in effective and responsible decision making and business conduct.

The Risk and Sustainability Committee assists the Board in fulfilling its responsibilities relating to risk management, including the effective management of human rights and modern slavery risks.

## Governance Framework



### Supporting Documents

We have established policies, standards and procedures that actively promote ethical and responsible decision making.

These set our expectations regarding how we will conduct our business and work and behave towards one another.

#### These are:

- Code of Conduct
- Supplier Code of Conduct
- Securities Trading Policy
- Disclosure Policy
- Periodic Corporate Reports Standard
- Shareholder Communication Policy
- Risk Management Policy
- Whistleblower Protection Policy
- Privacy Policy
- Environmental Policy
- Our People Policy
- Community Policy
- Health and Safety Policy
- Anti-Bribery and Corruption Policy
- Human Rights Policy
- Legal and Compliance Policy
- Diversity and Inclusion Policy

The management of modern slavery risk is undertaken by the Procurement team in collaboration with the Legal; Sales; Health, Safety, Environment and Communities (HSEC); and Human Resources teams.

Our Modern Slavery governance is supported by our standards, values and policies, including our Code of Conduct, Supplier Code of Conduct, Risk Management Policy, Human Rights Policy, Our People Policy, Whistleblower Protection Policy, Human Rights Standard and Sustainable Procurement Standard.

## Where we Operate

### DeGrussa

The DeGrussa Copper Operations located 900km north-east of Perth in Western Australia is based on long-term underground mining delivering copper sulphide ore to an on-site 1.5Mtpa Concentrator. Produced concentrate is then trucked to both Port Hedland and Geraldton for shipping to our global network of customers for refining.

### MATSA

In February of 2022, Sandfire finalised the acquisition of the MATSA Copper Operation in south-western Spain. MATSA is a substantial polymetallic mining complex comprising three underground mines and a 4.7Mtpa central processing facility, with cutting-edge technology and infrastructure and an extensive resource base with significant growth potential.

### Exploration

Our Australian exploration activities cover Western Australia and New South Wales. Our African exploration activities cover the Kalahari Copper Belt in Botswana and Namibia. Our exploration packages surrounding the MATSA operations extend across the Iberian Pyrite Belt of Spain and Portugal.

### Motheo

Sandfire's Motheo Copper Mine is centred on the development of the T3 Deposit. The T3 Deposit is a significant sediment-hosted copper and silver deposit, located in the Kalahari Copper Belt in Botswana. The initial 12.5-year operation on an initial Base Case 3.2Mtpa processing capacity and open pit development of the T3 Deposit.

### Black Butte

Sandfire also holds an 87% interest, via Canadian listed company Sandfire Resources America Inc. (TSX-V: SFR), in the high-grade Black Butte Copper Project, located in central Montana in the United States.



#### ● Operating Mines

1. MATSA Copper Operations, Spain
2. DeGrussa Copper Operations, Western Australia

#### ● Development Phase

3. Motheo Copper Project, Botswana T3 and A4 Deposits
4. Black Butte Copper Project, Montana, USA Johnny Lee and Lowry Deposits

#### ● Study phase

5. Old Highway Gold Project, Western Australia

#### ● Exploration

6. Iberian Pyrite Belt Exploration, Spain and Portugal
7. Kalahari Copper Belt Exploration, Botswana and Namibia
8. Black Butte Exploration, Montana, USA
9. New South Wales Exploration, Australia
10. Doolgunna Province Exploration, Western Australia

## Our Value Chain

The below image displays how Sandfire draws on the different stores of capital as part of its value chain.



### Our Inputs

1

Social & Relationship Capital

2

Human Capital

3

Manufactured Capital

4

Financial Capital

5

Intellectual Capital

6

Environmental Capital



### What we do

1

Exploration

2

Resources Development

3

Mine Operation

4

Mine Closure

5

Mergers & Acquisitions



### Value we create

1

Copper Concentrate

2

Employee wages

3

Meaningful employment

4

Shareholder dividends

5

Community Benefits

6

Taxes + Royalties

7

Supplier Payments



### Downstream Logistics & Processing

1

Hauling

2

Shipping

3

Smelting

4

Refining

5

Manufacturing



### Value from our product

1

Electrical Products

2

Household Goods

3

Electric Vehicles

4

Healthcare Devices

5

Electrical Wiring & Plumbing

6

Green Buildings

## Our Supply Chain

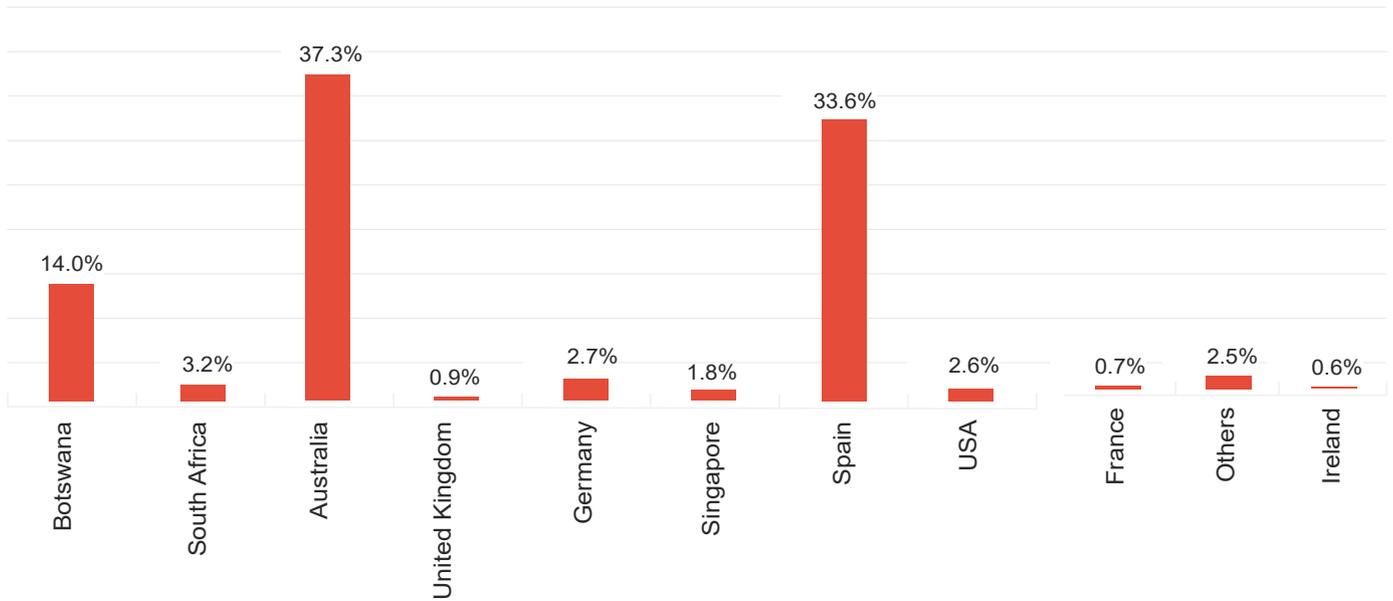
Our Supply Chain includes small businesses local to our activities, through to global suppliers and service providers. During FY2022, the products and services provided by our supply chain included:

- **Support services** – camp management services, air charter services, consultancy services, freight of inbound goods, power supply, information technology services, training providers, fuel supply, provision of branded clothing and protective personal equipment, laboratory services and other equipment and vehicles;
- **Exploration** – drilling and geophysical contractors, drill tools, general hardware and analytical laboratories;
- **Processing** – shutdown contractors, supply of grinding media, supply of flocculants and labour hire;
- **Mining** – underground and open pit mining contractors, cement, explosives and earth movers;
- **Delivery** – haulage services, port services, stevedoring and shipping;
- **Projects** – technical support services, major equipment supply, construction contractors.

Through the acquisition of MATSA in FY2022, there is now significantly increased European representation in our supply chain.

In 2022 we spent \$563 million with our direct (Tier 1) suppliers. 37 per cent of this spend was with Australian suppliers and 33 per cent with Spanish suppliers. We understand that whilst the majority of our Tier 1 suppliers operate in countries with a lower prevalence of modern slavery, our extended supply chains are complex and span the entire globe.

## Global Spend

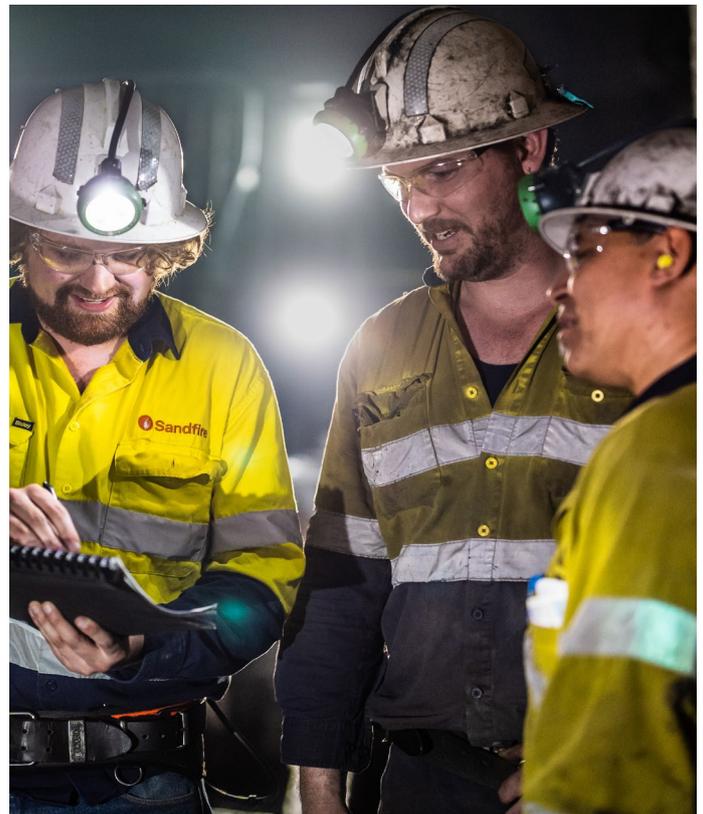


## Sandfire’s approach to Human Rights

Sandfire is committed to upholding the fundamental human rights of our employees, local communities in which we operate, those within our supply chains and other stakeholders who may interact with our business activities. Our actual and potential impacts include, but are not limited to, workforce and labour relations, safe and healthy working conditions, collective access to natural resources and food security, diversity and inclusion, opportunities for training and education, and fair compensation for work. If human rights impacts are identified, we work with the relevant parties to remedy.

Sandfire’s approach is governed by our Human Rights Policy and HSEC Management System which guides our management of human rights risks. Our approach aligns with the United Nations’ Guiding Principles on Business and Human Rights, International Bill of Human Rights and the International Labour Organisation’s Declaration on Fundamental Principles and Rights at Work.

Our policy requires the business to undertake human rights risk assessments of business activities to identify and address potential human rights impacts during all phases of mine life. The management of human rights topics is a multi-functional effort and is a responsibility that is shared across the organisation and with external stakeholders. Sandfire manages human rights topics by conducting human rights risk and impact assessments, implementing local grievance mechanisms and human rights management plans for our operations, and conducting training on contractor and supplier management. Human rights risk assessments are conducted for all new operations or when there is significant change to existing operations.



## Identifying Risks of Modern Slavery Practices in our Operations and Supply Chain

Sandfire's Risk Management Framework is applied across the Group and assists the Board and management to identify, assess, manage and monitor risks that may have a material impact on the Group. As we start to realise our key growth objective to build an international diversified and sustainable mining company, we recognise that this increases our risk of causing, contributing or being linked to modern slavery practices, both within our global operations and throughout our expanding supply chains.

Sandfire prioritises procurement from the countries in which we operate. This approach has resulted in most of our Tier 1 suppliers being located in jurisdictions that do not have a high prevalence of modern slavery. We have identified that our highest risk of causing, contributing or being linked to modern slavery practices is within our lower tier suppliers. Gaining visibility, understanding and influencing these lower tier suppliers is our biggest challenge.

### Prevalence of Modern Slavery<sup>2</sup> in Sandfire's Country of Operation

Australia	Botswana	Spain	Namibia	USA
Estimated Proportion Living in Modern Slavery				
<b>0.65/1,000</b>	<b>3.43/1,000</b>	<b>2.27/1,000</b>	<b>3.33/1,000</b>	<b>1.26/1000</b>
Prevalence Index Rank 163/167	Prevalence Index Rank 96/167	Prevalence Index Rank 124/167	Prevalence Index Rank 102/167	Prevalence Index Rank 158/167

Based on the outcome of the country risk assessment and Sandfire's robust human resources and human rights global frameworks, we have determined there is a low risk of modern slavery practices occurring within our direct global workforce.

### Our Supply Chains

#### Procurement Categories

We have identified the following procurement categories as having an elevated risk of modern slavery practices.

#### Goods

- Electrical products and components
- Apparel (PPE)
- Certain raw materials
- Certain spare parts

#### Services

- Construction
- Labour hire
- Facilities management including security services
- Hospitality
- Transportation including shipping

### Geography

#### Tier 1 Suppliers

The majority of our Tier 1 suppliers are located in jurisdictions that do not have a high prevalence of modern slavery. The geographic location of suppliers we utilise that operate in regions that have a higher prevalence<sup>3</sup> of modern slavery include:

Country	Estimated Proportion Living in Modern Slavery	Prevalence Index Rank
Turkey	6.5/1000	48/167
India	6.1/1000	53/167
Georgia	4.33/1000	80/167
Botswana	3.43/1000	96/167
Singapore	3.43/1000	97/167
Bosnia	3.42/1000	98/167
Namibia	3.33/1000	102/167

#### Tier 2 Suppliers and below

Whilst we have insight to some of our tier 2 suppliers, gaining visibility, understanding and influencing our lower tier suppliers is challenging. The limited visibility of processes for our lower levels of suppliers poses a heightened risk of causing, contributing or being linked to modern slavery.

<sup>2</sup>Walk Free Global Slavery Index 2018. <https://www.globallslaveryindex.org/2018/data/maps/#prevalence>

<sup>3</sup>Walk Free Global Slavery Index 2018. <https://www.globallslaveryindex.org/2018/data/maps/#prevalence>

# Our Approach to Manage Modern Slavery Risks

## Governance Framework

We continue to enhance our governance framework to support the assessment and management of human rights and modern slavery risks. Our governance framework includes:

### Human Rights Policy

Our Human Rights Policy guides the management of human rights risks and aligns our approach with the United Nations' Guiding Principles on Business and Human Rights<sup>4</sup>, International Bill of Human Rights<sup>5</sup> and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work<sup>6</sup>. The policy applies to all Sandfire personnel (employees and contractors) and forms an integral part of our induction and training process.

### Human Rights Standard

The Human Rights Standard was developed to complement the Human Rights Policy and outlines the requirements for business units to:

- Conduct human rights risk assessments;
- Develop a local grievance mechanism and human rights management plan;
- Conduct training; and
- Conduct a human rights risk assessment for all new operations or when there is significant change to existing operations.

The standard also outlines contractor and supplier due diligence requirements.

### Risk and Assurance Management Standard

The Risk and Assurance Management Standard describes the requirements for Business Units to manage risk, and to ensure that assurance processes are implemented to provide sufficient feedback on the adequacy and effectiveness of controls related to human rights risks.

### Sustainable Procurement Standard

The Sustainable Procurement Standard outlines the requirements for business units to consider social, economic, ethical and environmental impacts through all stages of the procurement cycle. The standard requires business units to consider human rights impacts and perform supplier and supply chain due diligence with identified risks being appropriately managed, prevented or remediated.

### Code of Conduct

Our Code of Conduct, which can be viewed on our website, sets out the standards of conduct expected from our people. It was updated in 2022 to include our commitment to uphold ethical human rights conduct in our business and supply chains.

### Supplier Code of Conduct

Our Supplier Code of Conduct sets out the behaviour and business practices we expect of our suppliers and their supply chains. We expect our suppliers to promote a diverse, inclusive and safe workplace and will prohibit the use of forced or compulsory labour.

## Supplier Engagement

Effective supplier engagement is critical to ensure that our suppliers understand our expectations relating to modern slavery.

### Contract clauses

Our standard terms and conditions for Australia and Botswana include a specific modern slavery clause that requires suppliers to ensure their

personnel and supply chains do not engage in any conduct that would constitute an offence under modern slavery laws. It also requires that suppliers notify Sandfire if any modern slavery offence occurs in their

organisation or supply chain. The clause is a mandatory requirement of all new procurement contracts and purchase orders. During 2023 we will work with our Spanish operations to ensure their contracts adequately address the risks of modern slavery.

Our shipping agreements require vessel owners to provide Sandfire a guarantee that the terms and conditions of their employment agreements with vessel crews are aligned and acceptable to the International Transport Workers' Federation (ITF).

## Supplier Due Diligence

Sandfire's due diligence process in Australia and Botswana centres on effective risk assessment relating to our supplier tender process. This includes the provision of a supplier modern slavery questionnaire to identify the risk of modern slavery practices. The questionnaire seeks to determine the level of risk based on the supplier's country of origin and business dealings, the procurement category, the nature of the supplier organisation and the supplier's response to forced labour indicator questions. Further action is taken for suppliers who are identified as high risk, with the action dependant on the severity and potential impact of that risk. Suppliers are also screened against global regulatory and law enforcement lists to flag human right violations. During 2023 we will work with our Spanish operations to ensure due diligence processes assess the risk of modern slavery occurring in supply chains.

## Employee Training

We continued to deliver modern slavery training to key employees working in the legal and procurement teams. During 2022 the procurement team at our newly acquired MATSA operation received training on Sandfire's procurement standards and requirements to manage modern slavery risks and violations of the standards. This training will ensure that the team are equipped to meet the intent of our Modern Slavery Statement and all regulatory requirements.

## Human Rights Impact Assessments

We have commissioned a Human Rights Impact Assessment through an independent local specialist for the Motheo Hub which will inform the Motheo Human Rights Management Plan as part of the Environmental and Social Impact Assessment process. The impact assessment has been completed and the final report is due for delivery in Q3 2022 following a detailed review.

## Third Party Risk Management Software

Sandfire is implementing a third-party risk management software solution to assist in the identification and mitigation of risks associated with our third parties. This includes the risk of Sandfire causing, contributing, or being linked to modern slavery practices within our supply chains. The system will allow for greater standardisation, automation, efficiency, and knowledge sharing across the business as we deploy to our business units. System implementation is expected to be completed in Australia by the end of 2022. Implementation in Botswana will occur in 2023 and we will work with our Spanish operations to determine the best software to assist managing modern slavery risks.

## Modern Slavery Questionnaire

Our modern slavery questionnaire for suppliers was updated in 2022 to better identify modern slavery risks in our supply chain and reflect our global expansion. This questionnaire will be rolled out in FY2023 via a new third-party risk management software solution.

<sup>4</sup>United Nations. 2011. "Guiding Principles on Business and Human Rights". [https://www.ohchr.org/documents/publications/guidingprinciplesbusinessshr\\_en.pdf](https://www.ohchr.org/documents/publications/guidingprinciplesbusinessshr_en.pdf)

<sup>5</sup>United Nations. 1948. "The International Bill of Human Rights". <https://www.ohchr.org/documents/publications/factsheet2rev.1en.pdf>

<sup>6</sup>International Labor Organization. 1998. "ILO Declaration on Fundamental Principles and Rights at Work and its Follow-Up". [https://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---declaration/documents/publication/wcms\\_467653.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_467653.pdf)

## Effectiveness of our Approach

We recognise that reviewing the effectiveness of our approach to modern slavery is key to improvement. This includes:

- Reviewing and updating our modern slavery approach annually or when the need arises;
  - Reviewing and assessing business risks on a regular basis, including when the business changes. We assess our operations for human rights risks, including the risk of modern slavery in our supply chain, as part of our enterprise risk management process; and
- Measuring the effectiveness of our approach via established key performance indicators (KPIs) including:
    - Number of employees that have completed relevant training;
    - Number of changes in supplier modern slavery risk profiles; and
    - Number and proportion of modern slavery due diligence supplier assessments completed.

## Consultation with Owned and Controlled Entities

Details of our owned and controlled entities can be found in our [2022 Annual Report](#).

The provision of modern slavery training has also commenced to the legal and procurement teams of our owned and controlled entities.

We will continue to work with our owned and controlled entities to ensure compliance with the governance framework and to ensure that modern slavery risks are being identified, assessed, and managed.

## Looking Ahead - 2023 Actions

The following priorities have been set for 2023.

### Training and compliance

Deliver modern slavery training to our people including the Board and employees of our owned and controlled entities.

### Third party risk management software implementation

Implement the third party risk management software tool and incorporate into our risk assessment process. The system will be used to assess all suppliers as we recognise the risk of causing, contributing, or being linked to modern slavery practices does not necessarily link to supplier spend

### Due diligence

Perform supplier due diligence, including the utilisation of risk management software.

### Modern slavery governance framework

Continue to implement our modern slavery governance framework to our owned and controlled entities.

### MATSA

Work with our Spanish operations to ensure we are able to identify and minimise the risk of causing, contributing or being linked to modern slavery practices.

### Supplier engagement

Engage with our suppliers, to determine the extent to which modern slavery risks are adequately managed

### Third party audits

Undertake third-party auditor for our highest risk suppliers

### Human rights risk assessments

Assess and action findings from the human rights impact assessment for the Motheo Copper Hub in Botswana.

## Raising Grievances

We provide a number of mechanisms for employees, contractors and third parties to raise grievances or concerns, including potential instances of modern slavery and human rights abuses. Concerns of any illegal, unethical or improper conduct may be reported to our Whistleblower Protection Officer or to STOPline, an external, independent and confidential hotline service.

### Whistleblower Protection Officer

 **+61 (08) 6430 3853**  
 **[whistleblower@sandfire.com.au](mailto:whistleblower@sandfire.com.au)**

### STOPline

 **1300 30 45 50 (within Australia)**  
**+61 3 9811 3275 (outside Australia)**  
 **[sandfire@stopline.com.au](mailto:sandfire@stopline.com.au)**  
 **C/O The STOPline**  
**P.O. Box 403**  
**Diamond Creek, VIC Australia 3089**  
 **<http://sandfire.stoplinereport.com/>**





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