



# Modern Slavery Statement 2021

Creating value through opportunity

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## Modern Slavery Statement 2021

### 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 2021.

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 2021 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 8 December 2021.



**Karl Simich**  
Managing Director and CEO



## Introduction

Sandfire is an Australian mining and exploration company listed on the Australian Securities Exchange (ASX: SFR). With a strong operational base and a clear strategy to grow into an international, diversified and sustainable mining company, Sandfire's business is underpinned by a demonstrated commitment to the highest standards of safety and responsibility.

As we continue to expand our business globally, we recognise that this has the potential to expose us to heightened levels of human rights and modern slavery risk.

Modern slavery presents one of the most complex human rights challenges worldwide. It is estimated that 40 million people are victims of modern slavery, with occurrences in almost all countries, including those where we have activities. 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<sup>1</sup>.

While no instances of modern slavery have been identified throughout our business, we are committed to ensuring that we are able to identify and minimise the risk of modern slavery from occurring in our operations and global supply chain.

Our approach to managing modern slavery risks is guided by our Human Rights Policy, which outlines our commitment to uphold the fundamental human rights of our employees, the communities in which we operate, those within our supply chains and other stakeholders who may be impacted by our business activities.

Our focus for 2021 was the development and enhancement of our internal frameworks and tools required to minimise the risk of causing, contributing, or being linked to modern slavery practices.

### Key Achievements in 2021

- 1 Published a Human Rights Policy**
- 2 Continued to develop and enhance our Human Rights Governance Framework.**
- 3 Continued to educate our people on the risks associated with human rights and modern slavery**
- 4 Developed a modern slavery clause for inclusion in new procurement contracts**
- 5 Reviewed and selected an appropriate third party risk management software tool**
- 6 Commenced screening suppliers against global regulatory and law enforcement lists**



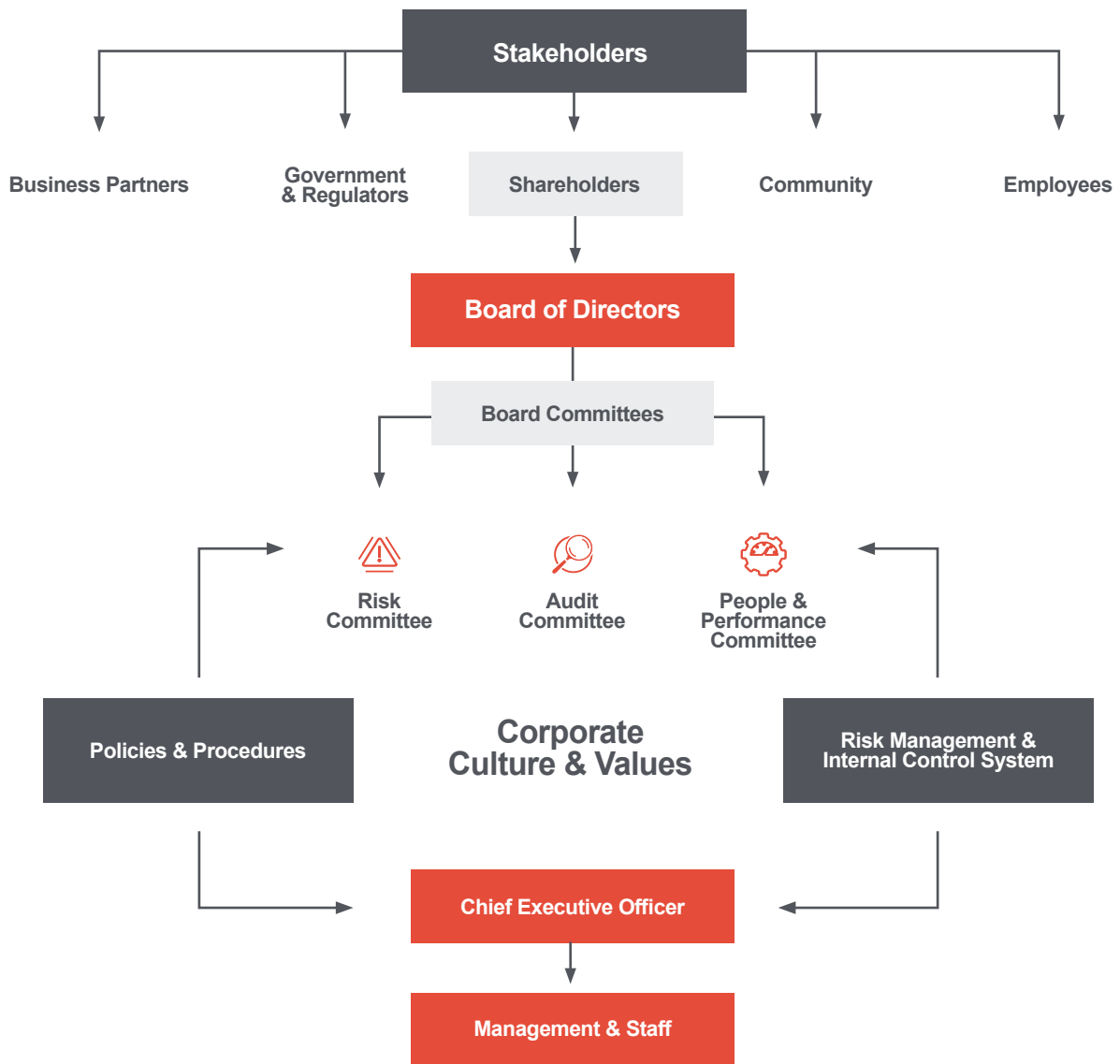
<sup>1</sup> [The Global Estimates of Modern Slavery](#), was published in 2017 and is the result of a collaboration between the International Labour Organization (ILO) and the Walk Free Foundation, in partnership with the International Organization for Migration (IOM).

## Governance Framework

The Sandfire Board and all levels of management are fully committed to maintaining and enhancing corporate governance so that it continues to contribute to Sandfire's key growth objectives.

Whilst the Board is responsible for establishing the corporate governance framework for 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.

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



The management of human rights and 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.

The Sandfire team is supported by our standards, values and policies, including our [Code of Conduct](#), [Supplier Code of Conduct](#), [Human Rights Policy](#), [Our People Policy](#), [Whistleblower Protection Policy](#), Human Rights Standard and Sustainable Procurement Standard.

## Operations

### Operating assets

The DeGrussa 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 1.6Mtpa Concentrator. Produced concentrate is then trucked to both Port Hedland and Geraldton for shipping to our global network of customers for refining into copper.

### Development phase

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.

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.

### Study and Exploration phase

Our Australian exploration activities cover Western Australia and New South Wales.

Our African exploration activities cover the Kalahari Copper Belt in Botswana and Namibia.

We also have exploration activities at Black Butte in Montana, U.S.A.



### Operating Assets

1. DeGrussa Operations, Western Australia  
DeGrussa and Monty Copper-Gold Mines

### Development Phase

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

### Study Phase

4. Old Highway Gold Project, Western Australia

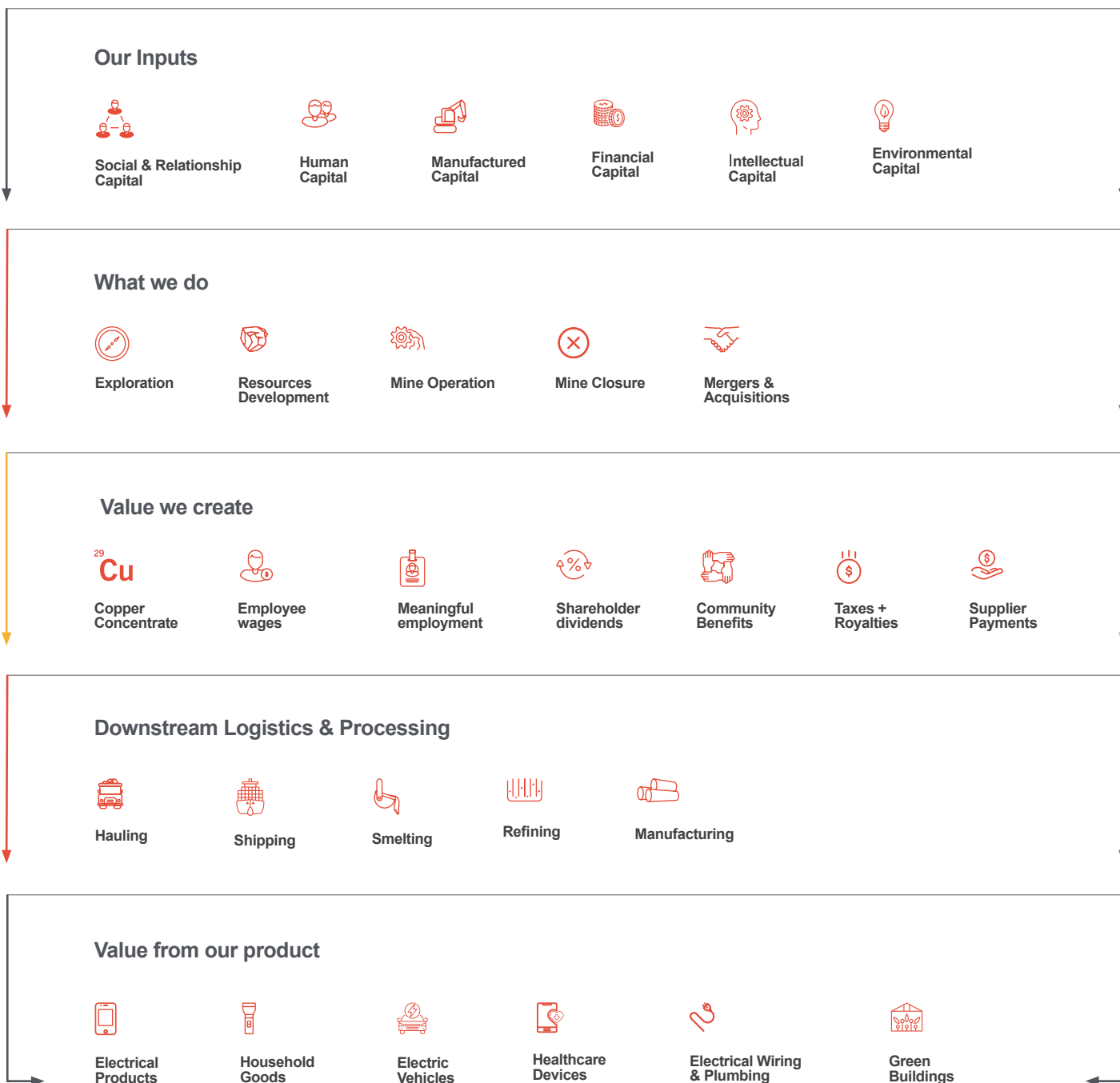
### Exploration Phase

5. Doolgunna Province Exploration, Western Australia
6. Cobar Exploration, New South Wales
7. Macquarie Arc Exploration, New South Wales
8. Motheo Expansion Exploration, Botswana
9. Kalahari Exploration, Botswana and Namibia
10. Black Butte Exploration, Montana, USA



## Our Value Chain

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



## Our Supply Chain

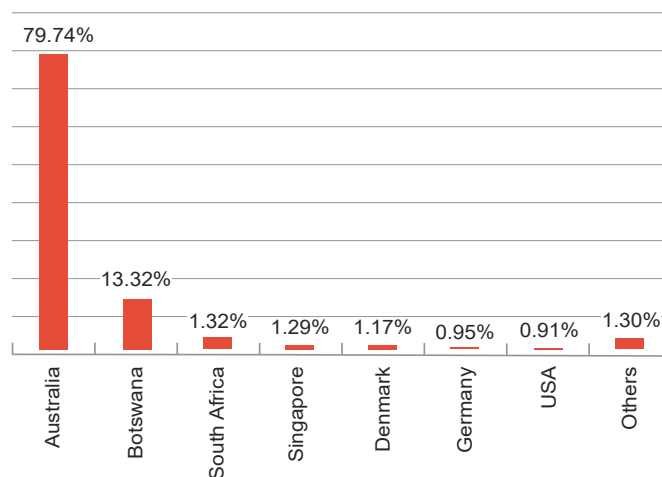
Our supply chain includes small businesses, local to our activities, through to global companies. It provides a wide range of products and services, including labour, that contribute to our operations.

During 2021, these products and services 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 (PPE), 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, labour hire;
- **Mining** – underground mining contractors, cement, explosives, earth movers;
- **Delivery** – haulage services, port services, stevedoring and shipping; and
- **Projects** – technical support services, major equipment supply, construction contractors.

In 2021 we spent \$397.4 million with our direct (Tier 1) suppliers. 80 per cent of this spend was with Australian suppliers. The majority of international spend was with suppliers operating in Botswana, South Africa, Denmark, Singapore, Germany and USA. 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



## 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 may increase 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.

Our assessment of modern slavery risk is set out in the table on page 8.



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

Australia	Botswana	Namibia	USA
Estimated Proportion Living in Modern Slavery	Estimated Proportion Living in Modern Slavery	Estimated Proportion Living in Modern Slavery	Estimated Proportion Living in Modern Slavery
<b>0.65/1,000</b>	<b>3.43/1,000</b>	<b>3.33/1,000</b>	<b>1.26/1,000</b>
Prevalence Index Rank 163/167	Prevalence Index Rank 96/167	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 framework, 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

#### Shipping

The international shipping industry has been identified as having an increased risk of modern slavery practices. The COVID-19 pandemic has heightened this level of risk due to certain seafarers being stranded on ships.

## Geography

### Tier 1 Suppliers

A 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
Botswana	3.43/1,000	96/167
Singapore	3.43/1,000	97/167
Bosnia	3.42/1,000	98/167
Serbia	3.33/1,000	101/167
Namibia	3.33/1,000	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.

## Other

Potential human rights impacts were identified through Motheo's T3 Deposit Environmental and Social Impact Assessment process. These included the identification of marginalised groups and potential changes to livelihoods. An in-depth Human Rights Impact Assessment will be conducted for the Motheo Copper Mine in FY2022. This will inform the development of the Motheo Human Rights Management Plan.

<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 modern slavery risks. The following policies and standards were developed and enhanced during 2021.

### Human Rights Policy

We published a standalone [Human Rights Policy](#) to guide our management of human rights risks and aligned 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.

### Sustainable Procurement Standard

A Sustainable Procurement Standard was developed to outline 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

Driven by our revised Sandfire Values and international growth we reviewed our [Code of Conduct](#) in 2021. The Code, which can be viewed on our website, sets out the standards of conduct expected from our people and includes our strengthened commitment to uphold fundamental human rights.

### Supplier Code of Conduct

The Company also developed a [Supplier Code of Conduct](#) that 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.

### Supplier Due Diligence

Sandfire's due diligence process 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.

To align with the screening process of our shipping suppliers, we also commenced to screen suppliers against global regulatory and law enforcement lists during 2021 to flag human rights violations.

### Contract clauses

Our standard terms and conditions 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. The clause has also been added to a number of our existing agreements.

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).

### Employee Training

We continued to deliver modern slavery training to key employees working in the legal and procurement teams during 2021. The training provided an overview of our governance framework relating to modern slavery, the legislative requirements, modern slavery red flags and outlined our approach to identifying and minimising the risk of modern slavery.

### Third party Risk Management Software

We assessed several third party risk management software tools in 2021 and commenced the implementation of the preferred software subsequent to 30 June 2021. Once implemented, the software will assist Sandfire's procurement team to identify and manage third party risk, including human rights risks arising from our supply chain. It will also allow for greater standardisation, automation, efficiency, and knowledge sharing across the business as we deploy to our business units.

<sup>4</sup> United Nations. 2011, "Guiding Principles on Business and Human Rights", [https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr\\_en.pdf](https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_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 and modern slavery risks as part of our enterprise risk management process;
- Conducting internal audits of the risk assessment and 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 [2021 Annual and Sustainability Report](#).

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.

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

## Looking Ahead - 2022 Actions

The following priorities have been set for 2022.

### Training and compliance

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

Develop modern slavery training packages for suppliers.

### Third party risk management software implementation

Complete the implementation of 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.

### Supplier Code of Conduct

Ensure all of our suppliers are aware of and confirm compliance to our [Supplier Code of Conduct](#).

### Due diligence

Continue to perform supplier due diligence, including the utilisation of risk management software.

### Questionnaire review

Our supplier modern slavery questionnaire will be reviewed to continue to identify and assess risks within our supply chains.

### Modern slavery governance framework

Continue to implement our Modern Slavery Governance Framework to our owned and controlled entities.

### Supplier engagement

Continue to engage with our suppliers, to determine the extent to which modern slavery risks are adequately managed.

### Third party audits

Consider the engagement of third party auditors to conduct audits for our highest risk suppliers.

### Human rights risk assessments

Complete a Human Rights Impact Assessment for the Motheo Copper Mine in Botswana.

### Shipping

Review our approach to identifying, assessing and addressing modern slavery risks within our shipping supply chains.

## 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**

### STOPline

☎ **1300 30 45 50 (within Australia)**  
**+61 3 9811 3275 (outside Australia)**  
@ **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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