



NORTHERN STAR
RESOURCES LIMITED



Modern Slavery Statement 2023



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Modern slavery FY23 summary

Supplier Assessment Questionnaire (SAQ)

5th consecutive SAQ

The SAQ completed by 86 “critical” and “high-risk” suppliers in FY23, increasing awareness of modern slavery risks and mitigating controls within our supply chain.

Modern slavery performance

tendering process ESG screening

We updated the ESG screening used in our tendering process to better understand how suppliers mitigate modern slavery risks. As part of our tendering and evaluation process, we ask tenderers for modern slavery training, audit and corrective action information.

Supplier corrective action plans

>85% supplier audits closed

7 out of 8 supplier audits have been closed (to the Statement date) after follow-up with the suppliers to confirm corrective action plans have been completed. The final corrective action plan is on track for completion by the target date.

Response to supplier audit refusal

5 suppliers refused to be audited

We developed and are implementing a process for responding to suppliers who refuse to be audited. The process includes working with suppliers to support and assist their audit participation through to exercising CFO discretion in terminating supply.

Modern slavery training

provided to Directors

Our internal modern slavery awareness training was completed by the five Non-Executive Directors who are members of the Environment, Social & Safety Committee and Audit & Risk Committee.

Mandatory modern slavery training

completed by 213 employees

Our mandatory internal modern slavery awareness training has so far been completed by 213 employees from Procurement, Legal, ESG Engagement, Environment and Human Resources, General Managers and Executives (comprises 61% completion, targeting 100% by 31 December 2023).

About this Statement

What is modern slavery?

‘Modern slavery’ is an umbrella term used to describe serious exploitation and human rights violations. Practices that constitute modern slavery can include:¹

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

The Global Slavery Index (2023) estimates that around 50 million individuals are caught in modern slavery, 54% of those being female and 12 million being children. It is understood that 16 million modern slavery victims are exploited in private sector supply chains.²

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

Our focus on environment, social and governance risk and performance drove the Company’s decision to operate exclusively in the low sovereign risk jurisdictions of Western Australia and Alaska, which are now ranked number 2 and 11 in terms of overall attractiveness for mining investment.³

Despite the low risk of modern slavery occurring within Australia or the United States, neither country is immune to modern slavery. On any given day in 2016 it was estimated 41,000 people in Australia and 1,091,000 people in the United States were living in conditions of modern slavery.⁴

Although modern slavery risks are considered to be greatest in sectors such as cleaning, hospitality, agriculture, textiles production and some types of manufacturing,⁵ the mining industry has an inherent risk of modern slavery, particularly due to the reliance on imported equipment and products.

Modern Slavery Act

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

This Modern Slavery Statement (**Statement**) is our fourth mandatory modern slavery statement under the Act, and covers the financial year ended 30 June 2023 (**FY23**).

This Statement

As prescribed by the Act, this Statement covers:

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

The Appendix on page 23 sets out where each requirement of the Act is addressed in this Statement.

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

¹ As defined in the *Modern Slavery Act 2018* (Cth).

² Australian Border Force Modern Slavery Key Facts and Figures.

³ Fraser Institute Investment Attractiveness Index (2022).

⁴ Walk Free Foundation 2023 Global Slavery Index (2023) (GSI).

⁵ Australian Border Force Modern Slavery Key Facts and Figures.

Consultation with Group entities

This Statement has been approved for release by the Northern Star Board of Directors and is current as at 23 August 2023. The Statement is a joint statement by Northern Star for itself and all of its wholly-owned subsidiaries (the reporting entity), in accordance with section 14(2)(d)(ii) of the Act.

Northern Star prepared this Statement in consultation with each other reporting entity that this Statement covers (all of which have common directors with Northern Star), in accordance with section 14(2)(c) of the Act. Consultation was undertaken by our Group-wide Modern Slavery Working Group, which comprises members of the procurement, legal and ESG engagement teams, who engaged with key areas of the business (including human resources, procurement and social performance). The Statement was reviewed in detail, and recommended to the Board for approval, by the Environmental, Social & Safety (ESS) Committee of the Board.



Stuart Tonkin
 Managing Director & CEO
 Northern Star Resources Limited
 23 August 2023

Who we are

Our Company

Northern Star is one of the world's ten largest gold miners, with operating mines and exploration programs located in world class jurisdictions of Australia and Alaska.

Our Purpose is: To generate superior returns for our shareholders, while providing positive benefits for our stakeholders, through operational effectiveness, exploration and active portfolio management.

Northern Star was incorporated in May 2000, and is a public company limited by shares listed on the Australian Securities Exchange (ASX: NST). See page 8 for the Northern Star group (Group) organisational structure at 30 June 2023.

Our STARR Core Values are integral to the working lives of all our workers, across all of our operations, and form the foundation of everything we do as a business.

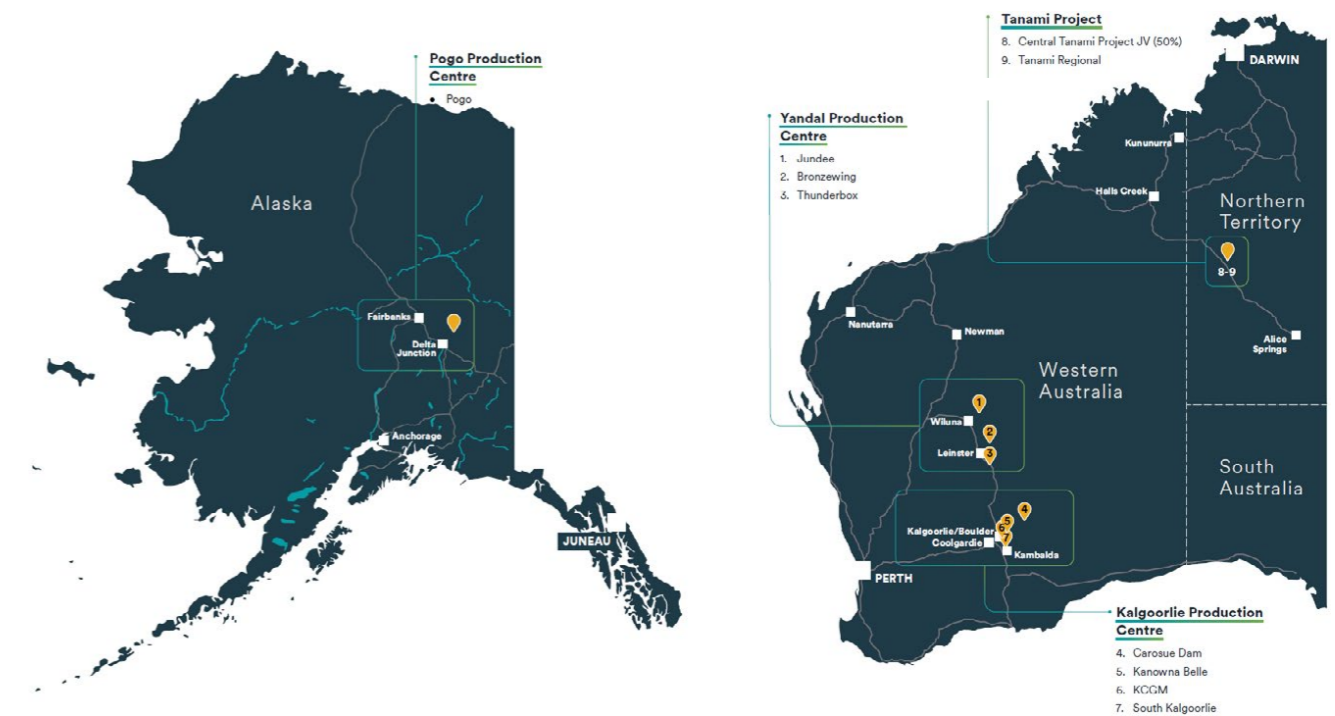
Where we operate

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

Figure 1 STARR Core Values

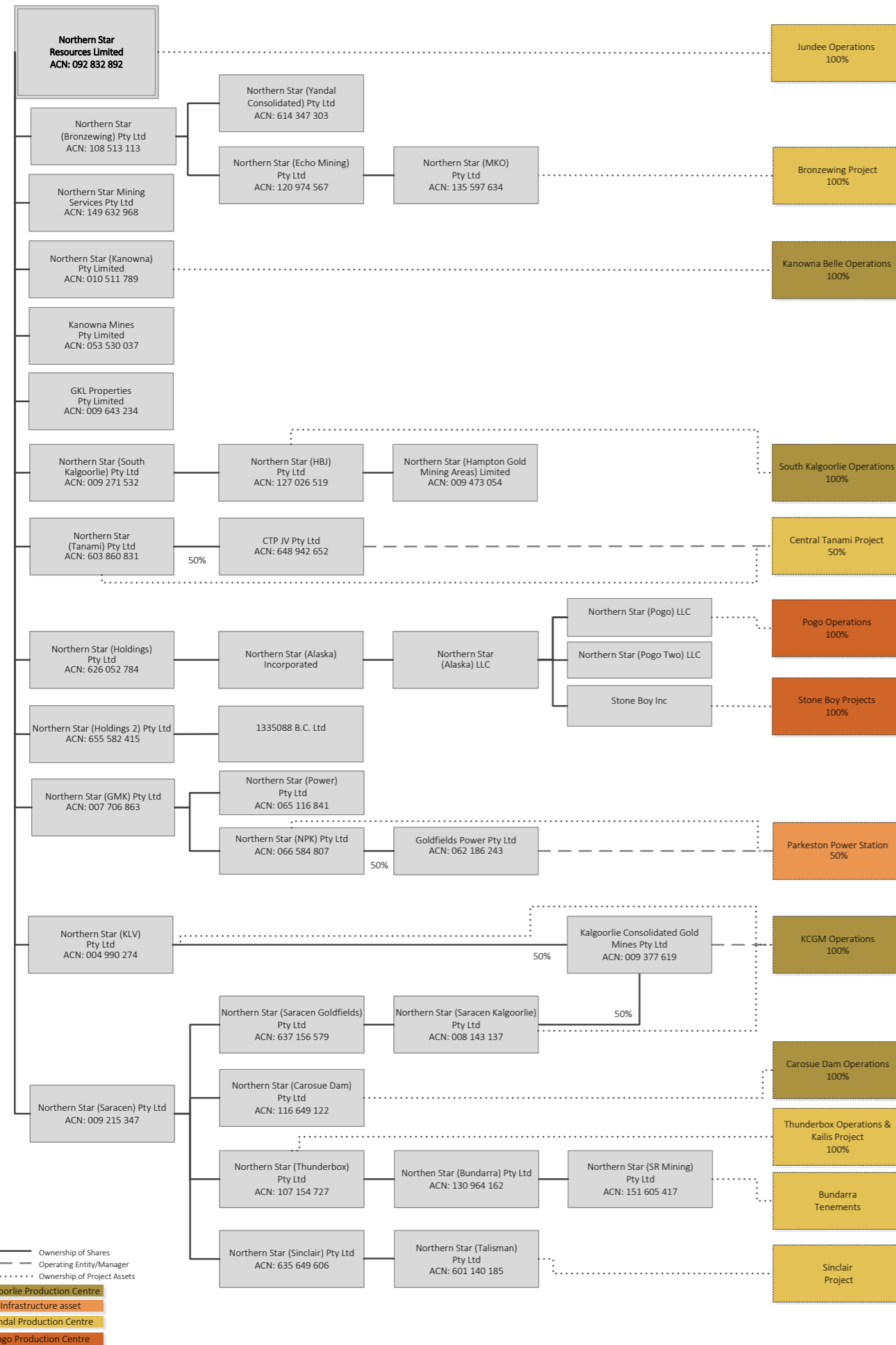


Figure 2 Where we operate



Our corporate structure

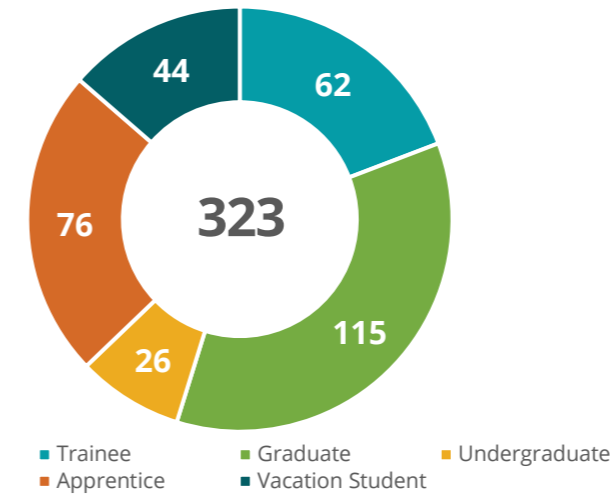
Figure 3 Entities comprising our Group as at 30 June 2023



Our workforce

At end of FY23 our workforce comprised 5,961 workers, of which 3,587 were employees and 2,374 contractors. 93% of our employees are engaged on a permanent basis, 5% on fixed term basis and 2% on casual contracts. In addition, we employed 323 students, trainees, and apprentices in FY23.

Figure 4 FY23 employee development pipeline



Northern Star's female participation rate was 23.1% at 30 June 2023.

Geographically, we have:

- 91% local employment in Kalgoorlie, Western Australia; and
- 59% local employment at our Pogo Operations in Alaska



⁶ As at 7 July 2023.

Our supply chain

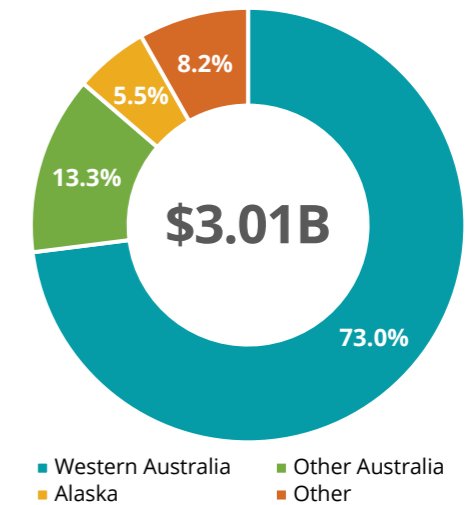
Northern Star's operations are supported by a centralised Group procurement team that coordinates a global supply chain in excess of 3,500⁶ direct suppliers.

We prioritise the use of local suppliers where possible, while ensuring our supply chain risks are mitigated through strong regional relationships and ongoing analysis of our sustainability goals. In FY23, \$655.9M representing 22% of total Group procurement spend was to suppliers located locally to our Kalgoorlie and Yandal Production Centres in Western Australia, and our Pogo Production Centre in Alaska, United States.

Figure 5 below provides a breakdown of total Group procurement spend (i.e. not just local to our operations).

We currently concentrate our assessment of modern slavery risks to direct suppliers and do not assess or monitor our indirect suppliers. In FY24 we plan to expand focus and work with our suppliers to consider modern slavery risks associated with some indirect suppliers.

Figure 5 FY23 Group procurement spend by supplier location



Modern slavery risks in our supply chain

Risk management

Northern Star is committed to effective identification, monitoring and management of strategic risks presented by our operational and corporate activities. Our risk management activities are guided by Northern Star's risk management framework, comprising the Risk Management Policy and Standard, which provides a consistent approach to the assessment, management, and reporting of risks across the business.

The framework is overseen by the Board of Directors, as supported by the Audit & Risk Committee and the Group Manager - Audit & Risk. Modern slavery risks are assessed within this risk framework and are subject to annual reviews by our Chief Financial Officer in leading the procurement and risk functions within Northern Star.

Risk assessment

In FY23, we continued our engagement with an expert external consultant in responsible sourcing and supply chain solutions.⁷ In FY23 our external consultant facilitated two separate due diligence requests to our suppliers, to update our risk assessment data – as further detailed in the Self-Assessment Questionnaire section on page 15.

The suppliers requested to participate in our Self-Assessment Questionnaire (SAQ) were selected based on the detailed inherent risk assessment we conducted in late FY22 across our entire supply chain. 1,183 Group suppliers were included in the FY22 inherent risk assessment, being all suppliers with annual spend over \$20,000 in the previous 12 months.

The inherent risk assessment was conducted against the following pillars, with relative weightings appropriate to our risk profile:

- **country risk** – based on seven core indexes including the World Bank Governance Indicators, UN Human Development Index, Transparency International Corruption Index and US State Department Human Trafficking Report (with

appropriate weightings applied). The country risk filter was applied based on where the supplier's product/service is procured. Most of our suppliers are based in Australia or Alaska, where known prevalence of modern slavery is relatively low, and as a result, country risk was generally low;

- **product risk** – based on business activities that may give rise to environmental and social risks and impacts associated with them, and the extent to which the supplier has technical or financial means to manage them (ranked according to statistical classification codes NACE Rev. 2). The product risk filter was applied based on the primary products produced by a supplier. Product risk is generally low, with critical risks largely associated with collection of hazardous waste, construction, and mineral extraction services (see Figure 6 below); and
- **total spend** – to ensure additional scrutiny was placed on suppliers who make up a greater proportion of total Group procurement spend (see Figure 7 below).

Figure 6 Suppliers by product risk

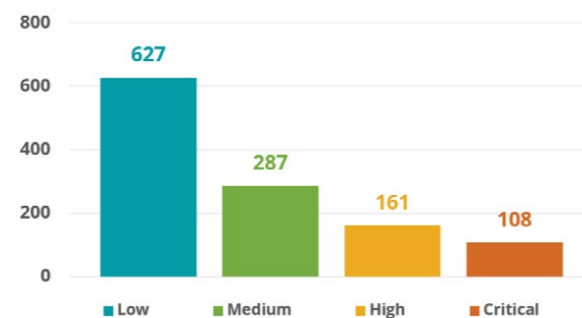
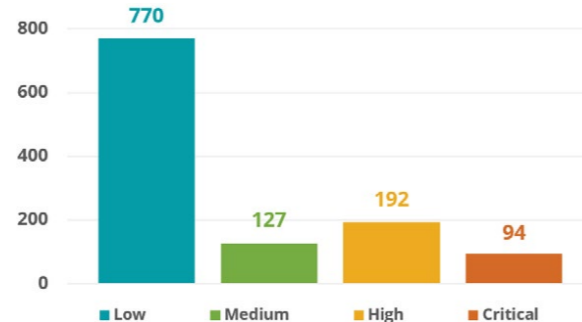
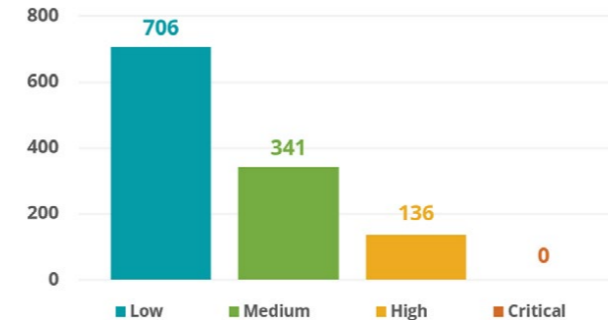


Figure 7 Suppliers by spend risk



The chart in Figure 8 below depicts the percentage of our suppliers whose combined risk based on their country, spend and industry product were initially assessed as having overall low, medium and high risk of modern slavery from our inherent risk assessment in FY22.

Figure 8 Suppliers by total risk band



We then undertook further due diligence in FY22 in the form of Self-Assessment Questionnaires (SAQs) issued to the 11% (or 136) suppliers identified in the FY22 risk assessment as being 'high risk'. These SAQ responses were verified by our external consultant and suppliers were assigned a final risk rating accordingly. Any supplier rated as having a low or medium risk of modern slavery, following the SAQ verification process, was excluded from the requirement for assessment in FY23.

We are in the process of completing due diligence on a total 86 suppliers through our targeted SAQ process (see page 15 for further details), being:

- 26 suppliers whose risk rating was reclassified as either 'high' or 'critical' according to the criteria outlined in Figure 9 below; and
- 60 suppliers who had not responded to our FY22 SAQ request at all.

In addition, in FY24 we intend to conduct further due diligence on an additional 23 suppliers whose original FY22 risk rating was 'high', but was reclassified as 'medium' following our verification process in FY23.

Figure 9 Risk classification criteria

| CLASSIFICATION | CRITERIA |
|----------------|-------------------------------------------------------------------------------|
| Critical | Critical supplier with high exposure to country, brand and reputational risks |
| High | Supplier with significant exposure to country, brand and reputational risks |
| Medium | Supplier with moderate exposure to country, brand and reputational risks |
| Low | Supplier with low exposure to country, brand and reputational risks |

Modern slavery risks in our industry

Operational modern slavery risks

Labour hire services are commonly used in the mining industry. If companies utilising labour hire negotiate excessively low rates with the labour hire supply company, this could lead to the employees of the labour hire supply company receiving exploitative pay rates. This is an example of a modern slavery risk to which Northern Star is exposed, as defined by the United Nation's Guiding Principles on Business and Human Rights continuum of involvement.

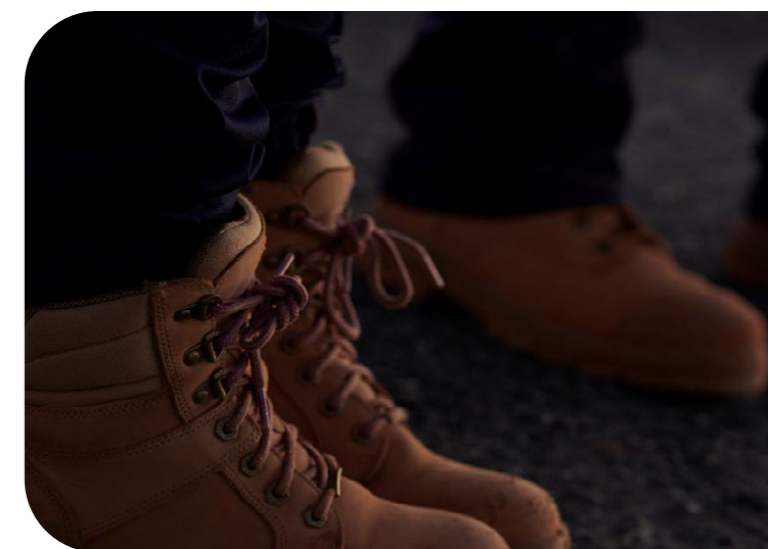
Northern Star is confident that the labour hire supply rates negotiated by Northern Star are reasonable and commercial, and do not place labour hire workers at risk from being exploited by their employers, who remain subject to robust Australian labour laws protecting employees.

Supply chain modern slavery risks

Some countries have a higher prevalence of modern slavery as indicated by the Global Slavery Index (2023). Where our supply chain exists within such countries, Northern Star is at risk of modern slavery occurring within its supply chain, for example through sourcing uniforms or personal protective equipment, such as gloves, from suppliers exploiting their workforce using forced labour.

Modern slavery can occur as a result of companies in Northern Star's industry putting commercial pressure on suppliers to reduce delivery times and reduce costs to such a level that the supplier exploits its workers requiring long hours and low rates of pay.

Northern Star is confident that the schedules and rates negotiated with its suppliers are reasonable and commercial and do not place the suppliers' workforce at risk of exploitation by their employer.



⁷ Social Accountability 8000 and WRAP accredited.

Action taken to address risks

Our mitigation of modern slavery risks, and our proposed response to any instances of modern slavery identified within our operations or supply chain, are detailed in this section.

Northern Star takes a comprehensive, Group-wide and multi-faceted approach to identifying and addressing modern slavery risks. This action is led by the Modern Slavery Working Group, with a view to continually improve the integrity and quality of our operations and supply chains.

In FY23 we continued our focus on developing a deeper understanding of our suppliers and supply chain, including identifying a third-party expert consultant to assist with ESG supplier screening, updating our screening of material suppliers for inherent risks, prioritising risks for selecting suppliers to audit, and managing the close out of corrective action plans put in place as a result of audit findings.

We take the following actions to ensure our standards and expectations regarding advancement of human rights and reducing modern slavery risks are met:

- policies and procedures that apply to our workers and all suppliers, aimed at preserving human rights;
- training programs, and promoting general awareness of modern slavery risks to our employees, contractors and suppliers;
- conducting supplier due diligence to identify high risks;
- undertaking audits to investigate potential human rights violations and modern slavery incidences;
- establishing, and ensuring the closeout of, corrective action plans where supplier audits reveal issues with working conditions; and
- collaboration with our peers, our suppliers and industry working groups, as further detailed in the sections below.

Corporate governance

Board oversight

Northern Star's Board of Directors (**Board**) formed a standing sub-committee comprised of Non-Executive Directors named the Environmental, Social & Safety Committee (**ESS Committee**), to assist the Board in implementing the Company's environmental, social and safety strategies and ensure responsible and sustained business practices. This includes providing guidance to the Board on the oversight, monitoring, and review of modern slavery risk management.

Executive responsibility

The Northern Star Board has ultimate responsibility for ensuring the appropriate processes are in place to assess, monitor, identify and manage any modern slavery risks to the business, as well as remediating and reporting on suspected or actual instances of modern slavery.

Our Chief Financial Officer has executive responsibility for the procurement and risk functions, including managing human rights risks such as modern slavery risks across the operations.

Modern Slavery Working Group

Several years ago Northern Star established an internal multi-disciplinary Modern Slavery Working Group which oversees modern slavery risk assessment and devises initiatives to assess and mitigate the risks of modern slavery occurring within our operations, such as modern slavery training and awareness initiatives, third-party audits and effective data collection. The Modern Slavery Working Group comprises personnel from our Legal, Procurement and ESG Engagement teams.

Members of the Modern Slavery Working Group have also attended externally run information sessions and contributed to Australia-wide industry working group meetings on modern slavery in FY23.

Grievance mechanisms & remediation

Northern Star has a Whistleblower Policy to facilitate and encourage the reporting of violations (or suspected violations) of the Company's Code of Conduct, STARR Core Values or material legal or regulatory obligations. See below for further details of this and other corporate governance policies of relevance to modern slavery.

If a suspected instance of modern slavery is identified within our business or supply chain we will investigate and respond to the concerns raised. Our modern slavery corrective action response protocol (**Protocol**) provides the key steps to be taken when responding to suspected or actual instances of modern slavery. The Protocol was developed for use in conjunction with other available materials such as the Walk Free Response and Remedy Framework.

Policies of relevance to Modern Slavery

Northern Star's corporate governance policies described below provide the framework of standards required of our directors, officers, employees and suppliers, to ensure that across our operations, human rights are respected. The policies also identify and appropriately address risks and instances of modern slavery in our business operations including the supply chain. Copies of these policies are available on our website and intranet.

Human Rights Policy

Northern Star commits to acting lawfully, ethically and responsibly as a business. Our Human Rights Policy together with the Code of Conduct form the basis for our approach to human rights management. They are embedded and regularly reinforced to instil appropriate behaviours within our business and supply chain.

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

The Policy is applicable to all Northern Star employees, contractors, joint venture partners and suppliers interacting with the business. The Human Rights Policy reiterates that Northern Star does not tolerate human rights abuses, forced labour or servitude in all its forms, and outlines our commitment to providing accessible grievance mechanisms for individuals and communities to raise concerns.

Code of Conduct⁸

Northern Star's Code of Conduct requires our directors, officers, employees and contractors to act fairly, honestly, transparently, with integrity and in compliance with all material applicable laws and regulations in fulfilling their duties and responsibilities.

Supplier Code of Conduct⁸

Under the Supplier Code of Conduct, Northern Star will actively seek and show preference to suppliers who respect and adopt positive safety, environmental, social and governance standards and who partner with us in identifying and implementing a plan to remediate any modern slavery offences or risks of human slavery in the supplier's supply chain.

The Supplier Code of Conduct requires all suppliers to:

- confirm there is no deceptive recruiting, forced labour, underage employment or underpayments in their business;

⁸ A material breach of our Code of Conduct or Supplier Code of Conduct constitutes an event of default, triggering a remedy process and potential termination of the supplier's engagement if the breach

- conduct their own supply chain due diligence to identify modern slavery risks and breaches;
- disclose to Northern Star and remediate modern slavery breaches if identified; and
- cooperate transparently with our supply chain due diligence enquiries and requested actions.

Purchasing Policy

Northern Star's Purchasing Policy promotes transparent, equitable and competitive purchasing, taking into account environmental and social considerations in the overall value for money assessment.

Anti-Bribery & Anti-Corruption Policy

This Policy prohibits the making of bribes and improper payments, and places appropriate reporting mechanisms and controls on the giving and receiving of gifts and donations.

Whistleblower Policy

Northern Star's Whistleblower Policy allows for the reporting of actual or suspected material violations of the Code of Conduct, STARR Core Values or material legal or regulatory obligations.

Reports can be made by anyone - current or former directors, officers, employees or contractors and members of the general public. There are two alternative Whistleblower Report and Investigation Officers who are charged with the duty to promptly conduct impartial and confidential investigations, reporting direct to the Chair of the Audit and Risk Committee and to the Board of Directors.

The Whistleblower Policy aims to provide effective protection to whistleblowers from victimisation and retaliation, by preserving confidentiality and anonymity, and that all reports are investigated promptly by the Report and Investigation Officer and if appropriate, corrective action is taken.

If a whistleblower report is made in relation to a supplier's workforce, the allegation is investigated, and where substantiated, Northern Star would work with the supplier to ensure remediation occurs appropriately and promptly for the benefit of the workforce. In FY23 we did not receive any whistleblower reports or other complaints relating to actual or threatened modern slavery or other human rights abuses.

Risk Management Policy

This Policy frames how Northern Star manages and mitigates risks to our employees and contractors.

remains unremedied, under our Purchase Order Standard Terms & Conditions (available at <https://www.nsrld.com/supplier-policies>).

Training and awareness

In FY23 we expanded the compulsory requirement for completion of our bespoke modern slavery training module to additional employees, to continue building skills within our operations to identify, assess and effectively manage the risk of modern slavery practices occurring within our supply chain. The training module was developed in collaboration with Anti-Slavery Australia and is available to all employees and contractors for self-enrolment.

Modern Slavery training is mandatory for all employees with a direct link to areas of our operation which may encounter modern slavery or carry higher than usual risks of modern slavery, including;

- Human Resources personnel;
- Procurement personnel including warehouse staff;
- General Managers and other senior management at our operations and in the Corporate Office;
- all Managers;
- Environment team;
- ESG Engagement team;
- Legal and Company Secretarial team;
- Social Performance team; and
- key Executives, such as the Chief Financial Officer who oversees the Company's Procurement and Risk functions.

At the time of release of this Statement 213 employees have completed the training module out of a total 347 for whom the training is mandatory for completion by 31 December 2023. This represents a completion rate of 61% so far. In addition, 67 employees self-enrolled and completed the training voluntarily. An update will be provided in the FY24 Modern Slavery Statement on progress in completion of mandatory training, and voluntary training rates.

The training is available to all employees, who are encouraged to undertake the training in Company-wide communications around anti-modern slavery awareness. As at the Statement date, 24 August 2023, all five Non-Executive Directors who are members of the Company's Audit & Risk Committee and Environmental, Social & Safety Committee, have completed the training.

In FY24 we plan to expand the scope of human rights training including the development of a short general awareness module which will be mandatory training for all new employees and contractors as part of the onboarding process. The training module for the broader workforce is expected to be more concise than the mandatory training module referred to above.

Supplier due diligence

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

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

New suppliers & tender requirements

As part of all tender processes, we require prospective suppliers to disclose key details of their occupational health & safety (OHS), environmental, social responsibility and other relevant practices. In addition, we have updated the ESG screening used in the tendering process to better understand how suppliers mitigate modern slavery risks, in addition to gathering information on health, safety, environment and social responsibility practices within their businesses.

As part of our supplier on-boarding process, suppliers must confirm compliance with both our Code of Conduct and Supplier Code of Conduct, which reinforce our expectations with regards to safety, environment and social governance.

An update on our progress with ESG screening of suppliers will be provided in the FY24 Modern Slavery Statement forming part of our FY24 reporting suite in August 2024.

Self-Assessment Questionnaire (SAQ)⁹

FY23 was the fifth consecutive year in requiring all or some of our suppliers to complete a SAQ to allow us to monitor our supply chain for modern slavery risks and understand our suppliers' modern slavery risk mitigation steps. The SAQ process has matured from a request to all suppliers, to a more refined and targeted approach, informed by our inherent risk assessment and verified by our expert consultant in responsible sourcing and supply chain solutions. For further details on how our process has evolved, over 4 years of supplier SAQs, please refer to the case study provided on page 18.

Following verification of the SAQ responses, a final risk rating is assigned to the supplier. Any supplier that achieves a low risk rating is exempt from the SAQ process the following year, to ensure we are effectively prioritising our efforts in collecting, interpreting and measuring data to understand and where necessary take steps to mitigate the risks of modern slavery existing in our operations.

⁹ Developed by WAMSc (now known as the Human Rights Resources and Energy Collaborative) industry group in collaboration with the

In FY23 we requested 86 of our suppliers complete the SAQ, across two distinct groups:

- 60 suppliers who failed to respond to the SAQ request in FY22; and
- 26 suppliers who were deemed to have a high or critical modern slavery risk.

At 1 August 2023, 26 responses have been received and verified, with an additional 2 responses awaiting verification. 11 of our suppliers have refused to complete the SAQ.

The data collected from both our inherent risk assessment and the SAQ responses will inform our FY24 audit plan. See the Audits & corrective action plans section below for details of audits conducted in FY23.

Supplier non-response to an SAQ

We are currently evaluating how to engage those suppliers who are refusing to engage in the SAQ, in line with our Supplier Code of Conduct and our preference to partner with suppliers who respect and adopt positive social and governance standards.

Supplier refusal to submit to an audit

In FY23 multiple suppliers declined our request for a full or partial audit. In contrast, in previous years all suppliers audited were receptive and engaged with us in the full audit process.

Where suppliers initially selected for audits refuse to participate in an audit, we approach additional suppliers for audits, in place of those suppliers who declined.

In total, five suppliers declined to work with our auditors in FY23, on the basis that some suppliers had limited resources and time to offer co-operation with our auditor, or due to the small size of the suppliers' businesses. All five of the suppliers are Australian-based organisations providing services and products to multiple companies within the mining and resources sector, related to engineering, construction, drilling and training. Other suppliers agreed to undergo audit on the proviso that the audit was restricted to desktop only.

Northern Star's response to a supplier's refusal to participate in audits is as follows:

- the Procurement team will contact the supplier to determine the reason for the refusal and offer support to the supplier to assist them in participating, including;
 - providing educational resources and training materials to raise awareness about modern slavery, the *Modern Slavery Act 2018 (Cth)*, its implications, and compliance benefits;

Walk Free Foundation.



- modifying the audit scope to one that is acceptable to both parties; and
- assisting the supplier to understand their obligations under the Supplier Code of Conduct.
- if this does not result in the supplier undergoing the audit, and the risks of modern slavery are deemed to be at a level such that an audit is considered necessary to confirm that the risk of modern slavery existing within the supplier's business is in fact low, the Procurement team will consider sourcing the goods or services from alternative suppliers until such time as the supplier agrees to undergo an audit;
- if it is proposed to continue receiving supply from the supplier despite not being able to complete an audit, an audit waiver must be requested from the CFO who then balances the reduced ability to assess the risk of modern slavery existing within the supplier's business, with the benefits for Northern Star's operations in continuing supply notwithstanding that the Modern Slavery audit was not undertaken;
- CFO has discretion to decide whether to continue supply from that supplier, and on what basis; and
- the supplier will be notified if supply is to be continued or not, and on what terms; this could involve deferral of the audit to a later financial year or required training in modern slavery for the supplier's personnel.

Northern Star is currently working through these steps with the five suppliers who declined to participate in audits during FY23.

No contracts with suppliers have been terminated as a result of inherent risk assessments.

Audits & corrective action plans

Our external auditor has certified auditors located in over 100 countries, enabling in-person audits to be conducted on our suppliers wherever they are based globally. It is important to utilise auditors who have good local knowledge of legislation and regulations with which our suppliers and their sub-suppliers must comply.

The two audits completed during the FY23 auditing period were performed in Australia against the Workplace Conditions Assessment Human Rights focus (WCA Human Rights) audit standard. While these audits found no instances of modern slavery breaches, one of the audits identified areas for improvement, e.g. to incorporate key policies in their employee inductions, conduct annual audits on human resources and social performance policy compliance and implement auditing of sub-contractors for modern slavery risks. A corrective action plan is being developed in consultation with the supplier, outlining timelines for addressing the improvement items, based on the severity of findings.

We continue to follow-up with suppliers we have previously audited to ensure that all required actions are implemented and the supplier achieves an audit score above 85% (thereby placing them in the high performing category). Of the eight audits completed prior to FY23, seven of the suppliers have addressed all action items, achieved an audit score within the high performing category, and the audits are regarded as completed. Ongoing monitoring and support is being provided to the final supplier, to ensure all action items are addressed within the agreed timeframe.

Contract termination

No contracts with suppliers have been terminated as a result of refusal to complete the SAQ, or audit refusal, or due to audit results, or due to audit action plans not being agreed and implemented. Northern Star prefers not to terminate contracts if there is a belief that the supplier is likely to continue its practices without change, which does not assist in the eradication of modern slavery.



Collaboration and engagement

During FY23 we continued to collaborate and share information with a variety of stakeholders including suppliers, peers, fund managers and ESG analysts, industry associations and industry experts.

Industry associations

We regularly participate in industry groups and other initiatives that encourage the sharing of knowledge and experience to aid in building best practice approaches. In FY23 we engaged with the following industry associations on human rights topics, including modern slavery:

- Human Rights Resources and Energy Collaborative; and
- Gold Industry Group.

These groups facilitate the sharing of knowledge and lessons learned, and working together to develop best practice approaches to human rights and sustainable business practices more broadly.

Industry expertise

In 2021, we appointed an expert external consultant in responsible sourcing and supply chain solutions¹⁰ as our independent auditors to assist us with assessing modern slavery risks within our supply chain and completing audits on those suppliers deemed high risk. This consultant continues to be an integral stakeholder in our modern slavery risk management, and their expert knowledge helps inform the continual improvement of our supplier risk management processes.

Suppliers

We work with our suppliers to promote and develop a deeper understanding of Northern Star's standards in relation to human rights and modern slavery risks, through our corrective action plans and providing resources, training and support.

Investors

We continue to respond to investor queries on our approach to assessing and addressing modern slavery risks within our business and supply chain.



¹⁰ Social Accountability 8000 and WRAP accredited.

Case Study: Adapting our approach to Modern Slavery risk assessment

2019

In early 2019, we developed our inaugural modern slavery supplier survey (SAQ) and sent it out to every active supplier (total 1,750 suppliers) within our supply chain with a minimum cumulative \$100,000 spend. We received responses from approximately 21% of suppliers (376 SAQ responses to analyse and interpret).

Observation

- The low response rate was partially attributed to our suppliers encountering requests under the *Modern Slavery Act 2018* (Cth) for the first time.

How we adapted:

- Provided modern slavery awareness videos to suppliers.
- Developed a Supplier Code of Conduct to highlight Northern Star's commitments under the Act.
- Where a supplier's initial response raised red flags based on the countries and industries in which they operate, goods and/or services they provide, and the training and information they provide their personnel, we sent correspondence directly from our CEO requesting that the supplier:
 - review our Supplier Code of Conduct;
 - educate their procurement department on modern slavery; and
 - arrange senior management to complete a Human Rights and modern slavery e-learning module.

2020

In late 2020, we sent our second SAQ to all active suppliers within our supply chain regardless of cumulative spend, on the basis that any incidence of slavery in our supplier base can have devastating human rights consequences, regardless of spend. We received 804 responses to analyse and interpret, being a response rate of 23%.

Observation

- Difficulty reaching some suppliers was related to outdated and/or incorrect supplier contact information stored in our procurement database.
- Responsiveness and the quality of responses from suppliers was dependent on who within their business received our request. We experienced different responses from accounts payable personnel for example in comparison to sustainability team personnel who demonstrated differing levels of awareness of modern slavery.
- The increased volume of data was becoming onerous to manage internally.
- The increased number of suppliers resulted in a larger workload associated with following up responses not yet received.

How we adapted:

- Moved to a targeted SAQ process, rather than blanket requests.
- Engaged a third-party expert consultant to manage the SAQ process, data management and analysis of responses.
- Began verifying SAQ responses.
- Engaged a third-party expert consultant to conduct a review of supplier contact details across our supply chain and update where required.

CY21/FY22

In July 2021, together with our expert consultant, we focused on sending the SAQ to our suppliers whom we deemed to have a high inherent risk of modern slavery as a result of their country of operation, products and services provided, and using information provided in their previous SAQ responses.

FY23

We have continued with this model to date, and we are experiencing increased response rates. We are better placed to follow up individual suppliers who have not completed their SAQ.

Observation

- The full suite of data received from the SAQ was not required for the modern slavery risk assessment aspect, such as environmental management.
- In FY23 we experienced some suppliers refusing to respond to our SAQ.

How we adapted:

- Tailored our SAQ scope to focus on human rights and modern slavery, removing environmental and social performance management reducing the overall time required by a supplier to complete the SAQ.
- We are currently evaluating how to engage those suppliers who are refusing to engage in the SAQ, in line with our Supplier Code of Conduct and our preference to partner with suppliers who respect and adopt positive social and governance standards.

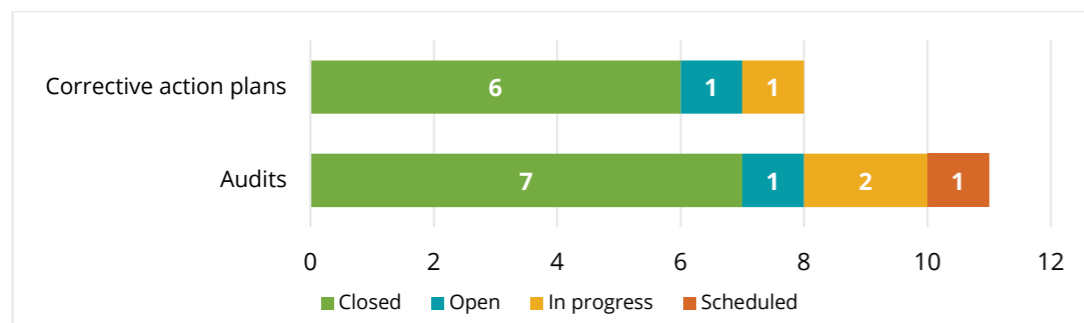
Assessing effectiveness

Northern Star recognises the importance of evaluating the effectiveness of all the actions we take to ensure continuous improvement of our modern slavery risk management practices.

The main method to track effectiveness is through follow ups to audits, to confirm that previous

violations or potential violations of human rights within our supply chain have been appropriate addressed by suppliers in line with audit action plans, resulting in improvements in their workers' conditions.

Figure 10 Audits and corrective action plans in FY23



We continually embed our focus on preserving human rights across the business, through corporate governance and modern slavery training, as well as by reinforcing with our suppliers the expectations set out in our Supplier Code of Conduct.

We also track performance through our complaints and grievance mechanisms that capture all issues related to suppliers.

We regularly seek out stakeholder feedback:

- from our employees through confidential bi-annual culture surveys;
- from our suppliers mainly through their dealings with our purchasing and procurement teams; and
- through engagement with key investors and proxy advisers in relation to the Company's performance, both generally and on our sustainability and human rights commitments.



Our delivery of planned actions for FY23

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

In our FY22 Statement we committed to several planned actions for FY23. Progress against these actions is summarised in Table 1 below.

Table 1 Commitments for FY23 planned action made in our FY22 Statement

| Planned actions from FY22 Statement | Progress as at 30 June 2023 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Enhancing supplier ESG data to allow better assessments of potential exposure to modern slavery risks | Northern Star has engaged an external expert consultant to assist with ESG supplier screening, involving improvements in the procurement database generally. Subject matter experts within Northern Star have expanded the scope of ESG screening for all tender processes. |
| Continue modern slavery training | In FY23 we expanded the requirement for modern slavery awareness training to include; <ul style="list-style-type: none"> • all Managers; and • the Environment Department. 61% of the 342 employees have completed the training as at the Statement date. |
| Annual risk assessment of our supply chain with the SAQ | In FY23 we sent our SAQ to 86 suppliers as detailed on page 15. At the release of this Statement, completed responses have been received from 28 suppliers, with another 14 responses currently in progress. |
| Follow up on outstanding corrective action plans from FY21 and FY22 audits to address and remediate the issues identified, and work with those suppliers to achieve better workplace standards at their facilities | We followed up with all seven of the previous audits to check on the status of corrective actions. Corrective actions were completed in six of the audits. |
| Conduct further external on-site and desktop audits of high risk suppliers, identified out of both the inherent risk assessment conducted and SAQ responses received in FY22 | Four audits were planned for FY23. Due to multiple refusals to participate from suppliers so far, two audits have been completed, with another scheduled for early in FY24. |
| Reinforce our risk management and risk register review processes | Following the appointment in FY22 of a Group Manager – Audit and Risk, improved structure in risk assessments and risk reporting to the Board has followed in FY23 for all operations including the Corporate Office. |

Planned actions for FY24

In FY24 we intend to complete the following actions to further improve our understanding of modern slavery risks to our business and update our management practices accordingly:

- Expand our human rights training to include more concise general awareness modules for all employees and contractors.
- Improve the data we collect and analyse in relation to our supply chain, leading to more SAQ responses and a higher understanding of our supply chain.
- Strengthen our understanding of our supply chain through assessment of indirect suppliers.
- Contribute to the upcoming review of the *Modern Slavery Act 2018 (Cth)*.
- Develop a Frequently Asked Questions document to assist our suppliers in better understanding their obligations under our Supplier Code of Conduct.
- Increase focus on supplier ESG screening in terms of assessment of information received, to improve the understanding of our supply chain, and potentially improve the quality of our supply chain to further mitigate modern slavery risks in our supply chain.
- Complete the SAQ process on our suppliers who were identified as having a medium risk in FY23 risk assessment.
- Assist the Board and Executive in enhancing their oversight of modern slavery risks and mitigation actions.

Appendix: Mandatory criteria

Table 2 Section 14(2) and 16(1) & (2) of the Modern Slavery Act 2018 (Cth) disclosures in this Statement

| Section of Act | Criteria | Section of this Statement |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|
| 14(2)(c) | The entity giving the statement must ensure that it is prepared in consultation with each reporting entity covered by the statement. | Consultation with Group entities on page 6 |
| 14(2)(d) | The entity giving the statement must ensure that it is approved by the principal governing body of: <ul style="list-style-type: none"> (i) each reporting entity covered by the statement; or (ii) an entity (the higher entity) which is in a position, directly or indirectly, to influence or control each reporting entity covered by the statement, whether or not the higher entity is itself covered by the statement; or (iii) if it is not practicable to comply with subparagraph (i) or (ii)—at least one reporting entity covered by the statement. | Consultation with Group entities on page 6 |
| 14(2)(e) | The entity giving the statement must ensure that it is signed by a responsible member of: <ul style="list-style-type: none"> (i) if subparagraph (d)(i) applies—each reporting entity covered by the statement; or (ii) if subparagraph (d)(ii) applies—the higher entity; or (iii) if subparagraph (d)(iii) applies—each reporting entity to which the subparagraph applies. | About this Statement on page 5 |
| 16(1)(a) | Identify the reporting entity. | About this Statement on page 5 |
| 16(1)(b) | Describe the structure, operations and supply chains of the reporting entity. | Who we are on page 7 |
| 16(1)(c) | Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls. | Modern slavery risks in our supply chain on page 10 |
| 16(1)(d) | Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes. | Action taken to address risks on page 12 |
| 16(1)(e) | Describe how the reporting entity assesses the effectiveness of such actions. | Assessing effectiveness on page 20 |
| 16(1)(f) | Describe the process of consultation with: <ul style="list-style-type: none"> (i) any entities that the reporting entity owns or controls; and (ii) in the case of a reporting entity covered by a statement under section 14—the entity giving the statement. | Consultation with Group entities on page 6 |
| 16(1)(g) | Include any other information that the reporting entity, or the entity giving the statement, considers relevant. | Throughout this Statement. |
| 16(2)(a) | For a statement to be given under section 13 (modern slavery statements for single reporting entities)—details of approval by the principal governing body of the reporting entity | Not applicable |
| 16(2)(b) | For a statement to be given under section 14 (joint modern slavery statements): <ul style="list-style-type: none"> (i) details of approval by the relevant principal governing body or bodies; and (ii) if subparagraph 14(2)(d)(iii) applies—an explanation of why it is not practicable to comply with subparagraph 14(2)(d)(i) or (ii). | Consultation with Group entities on page 6 |

For further information on Northern Star's environmental, social responsibility and governance performance, and other sustainable business practices, see our latest Sustainability Report and other ESG information via the Sustainability page on our website at: www.nsrld.com/sustainability/.

Cover Photo:
Northern Star haul road,
Yandal.



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