

# MODERN SLAVERY STATEMENT 2020



**MAKING A  
DIFFERENCE**

# CONTENTS

<b>1. INTRODUCTION</b>	<b>02</b>		
Overview of our Approach to Modern Slavery	03	4.1.2 Findings	13
FY20 Achievements Summary	03	4.1.3 Actions	13
Company Structure	03	4.1.4 Looking Ahead	13
		4.2 Supply Chain Risk Assessment	14
<b>2. GOVERNANCE</b>	<b>04</b>	4.2.1 Methodology	14
2.1 Governance Structure	05	4.2.2 Findings	14
2.2 Purpose and Values	06	4.2.3 Actions	15
2.3 Code of Conduct	07	4.2.4 Looking Ahead	15
2.4 Policies and Standards	08	4.3 Due Diligence Process Review and Gap Analysis	16
		4.3.1 Methodology	16
<b>3. OPERATIONS</b>	<b>09</b>	4.3.2 Findings	16
3.1 Locations and Employees	10	4.3.3 Actions	16
3.2 Supply Chain	11	4.3.4 Looking Ahead	16
		<b>FY21 ACTIONS</b>	<b>17</b>
<b>4. OUR APPROACH</b>	<b>12</b>	<b>APPROVAL</b>	<b>17</b>
4.1 Operational Risk Assessment	13		
4.1.1 Methodology	13		



# Introduction

IGO Limited is committed to ending modern slavery, through the adoption of responsible due diligence and sourcing processes.

The traditional form of slavery is clearly identifiable and unquestionably reviled. Slavery in this traditional form has been substantially reduced in the modern world, but slavery has not been eradicated. Slavery remains a significant human rights issue, evolving over time into the many forms of modern slavery we face today. Much like traditional slavery, modern slavery involves human exploitation, but it also includes debt bondage, servitude, human trafficking, child labour, and forced labour. Modern slavery is an abuse of human rights and occurs in both developed and developing countries. Current estimates suggest that there are approximately 40 million victims of modern slavery around the world, with 16 million victims exploited in the private economy<sup>1</sup>.

IGO Limited (IGO) is committed to ending modern slavery, through the adoption of responsible due diligence and sourcing processes. Committed to operating sustainably, we operate in accordance with the voluntary principles set out in the International Council on Mining and Metals' (ICMM) Sustainable Development Framework. IGO upholds fundamental human rights and respects cultures, customs, and values in all dealings with people, places, and companies involved in our activities.

This statement has been published in accordance with the Australian *Modern Slavery Act 2018* (Cth) (Act) for the financial year ending 30 June 2020 (FY20). The statement covers the activities of IGO and all entities within the IGO Group<sup>2</sup>. The modern slavery risks and actions taken associated with projects which we do not operate are not included in this statement.

This is IGO's first statement published under the Act. The statement details the steps IGO has taken to assess modern slavery risks within our operations and supply chains and the actions we have taken to address those risks.

<sup>1</sup> Department of Home Affairs, Commonwealth Modern Slavery Act 2018: Guidance for Reporting Entities, page 9.

<sup>2</sup> See IGO's 2020 Annual Report for a listing of all entities, available at [www.igo.com.au](http://www.igo.com.au).



# OVERVIEW OF OUR APPROACH TO MODERN SLAVERY

In our first year of preparing a modern slavery statement, IGO's focus has been to:

- Develop an understanding of modern slavery and our operational and supply chain risk factors
- Undertake an independent, external assessment of the risks in our operations and supply chain, and
- Review our governance framework and consider changes to adequately manage our modern slavery risks.

## COMPANY STRUCTURE

IGO is a leading ASX-listed exploration and mining company with a strategic focus on metals that are critical to energy storage and renewable energy (ASX: IGO). Headquartered in Perth, Western Australia, IGO owns 100%

of the Nova nickel-copper-cobalt operation (Nova Operation) and a 30% non-operator interest in the Tropicana Operation, a Joint Venture with AngloGold Ashanti Australia Limited.

IGO has a strong purpose of Making a Difference and is an active participant in the local community. We are pursuing aggressive organic growth through our portfolio of high-quality belt scale exploration projects across Australia and overseas that prioritise nickel and copper exploration and discovery. We are searching for the mines of the future with both exploration and disciplined corporate activity to secure opportunities via mergers and acquisitions. More information is available in IGO's 2020 Annual Report and 2020 Sustainability Report.

## The IGO Strategy



## FY20 ACHIEVEMENTS SUMMARY

- ✓ Independent due diligence governance gap analysis
- ✓ Independent operations and supply chain risk assessment
- ✓ Launched supplier questionnaire and issued to potential high-risk suppliers
- ✓ Modern slavery training for key procurement personnel
- ✓ Review of governance policies, standards, and procedures

# 02

## Governance

Governance Structure

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Purpose and Values

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Code of Conduct

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Policies and Standards

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## 2.1 GOVERNANCE STRUCTURE

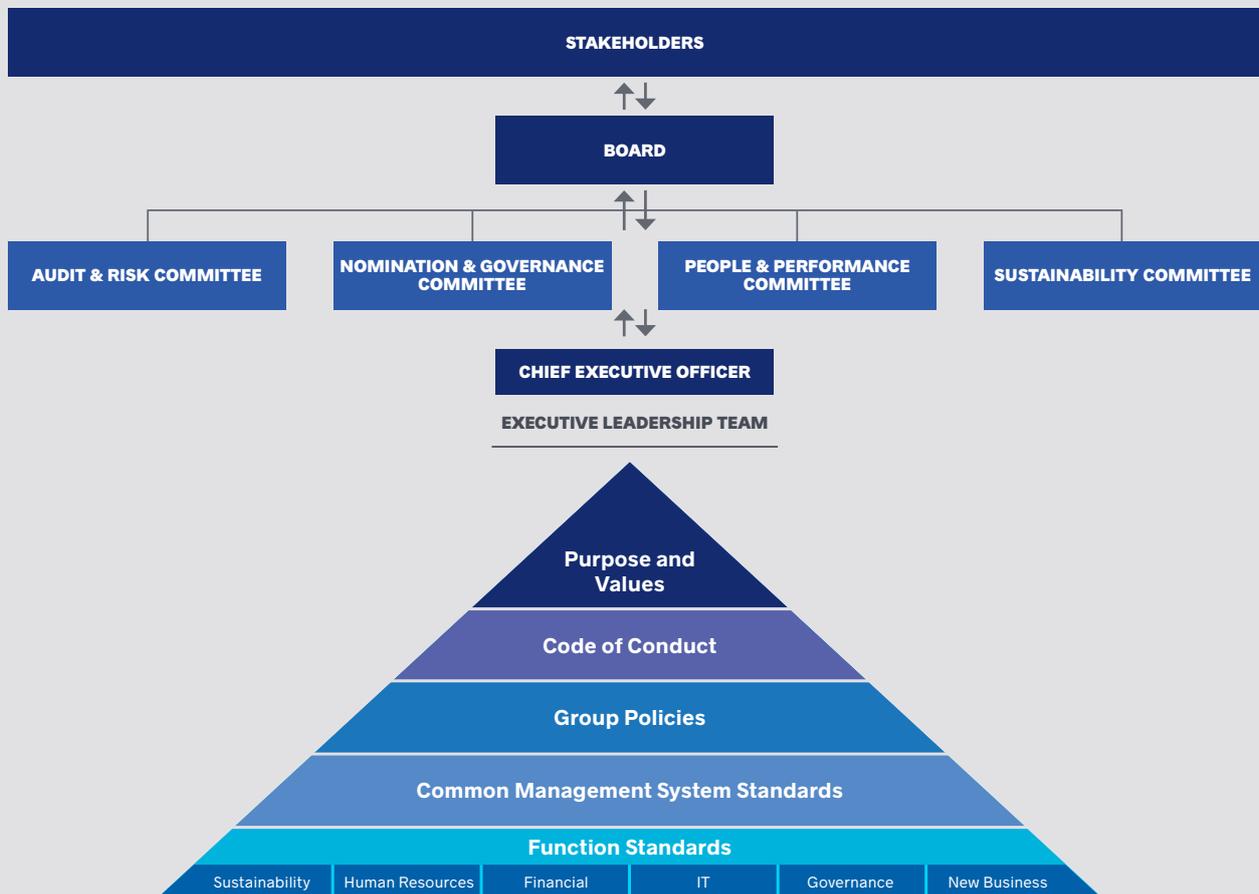
We believe good governance is about doing the right thing and having the courage to stand up for what is right. Our Board of Directors is ultimately responsible for our corporate governance, but the responsibility rests with all our employees to act ethically, with integrity, and within the law. IGO embeds this ethos throughout our organisation to ensure the long-term value and sustainability of the business. Our governance provides an integral framework for effective and responsible decision-making at IGO. For more detail about our governance and management standards, refer to our website.

The key functions of the **IGO Board** are to:

- Set the long-term corporate strategy
- Review and approve business plans and annual budgets
- Oversee the risk management framework
- Approve material capital expenditure
- Approve financial statements
- Approve and monitor adherence to Company policies
- Develop and promote corporate governance, and
- Demonstrate, promote, and endorse an ethical culture.

The Board's **Sustainability Committee** has overarching responsibility for:

- Safety, health, environment, and community
- Sustainability-related initiatives
- Company performance measures against key performance indicators (KPIs), and
- Operational matters and issues relating to stakeholders.



## 2.2 PURPOSE AND VALUES

Organisational values are important – they shape the behaviours of our people and embody our organisation’s unique culture. IGO has a strong purpose of Making a Difference.

Our Values are the threads that unite and guide us, ensuring we empower and support each other and remind us to still find the fun in what we do. Driven by our values to See Beyond and Be Better Together, we know our actions of today impact the world and people of tomorrow.



### Never stand still

We are bold, adventurous and excited for the future.

We imagine new opportunities and seek new horizons.



### Ignite the spark

We seek, question, innovate and create. We know that without a burning curiosity and bright thinking, we risk missing the really big opportunities.



### See beyond

We know that our actions today will impact the world of tomorrow. We believe our people, community and the environment really matter.



### Run through the sprinklers

We find the fun in what we do. When our workplaces are healthier and happier, we are better.



### Be better together

We empower, support and respect each other. We act safely and with care, to the strengths of our people.

### Making a Difference

We believe in a world where people power makes amazing things happen. Where technology opens up new horizons and clean energy makes the planet a better place for every generation to come. Our people are bold, passionate, fearless and fun – we are a smarter, kinder and more innovative company.

Our work is making fundamental changes to the way communities all over the world grow, prosper and stay sustainable. Our teams are finding and producing the specialist metals that will make energy storage mobile, efficient and effective enough to make long-term improvements to the lifestyle of hundreds of millions of people across the globe.

How? New battery storage technology is finally unleashing the full potential of renewable energy by allowing power produced from the sun, wind and other sources to be stored and used when and where it’s needed. This technology will impact future generations in ways we cannot yet imagine, improving people’s quality of life and changing the way we live.

We believe in a green energy future and by delivering the metals needed for new age batteries, we are making it happen.

**We are the IGO Difference.**

## 2.3 CODE OF CONDUCT

IGO's Code of Conduct reflects our Values and represents our commitment to uphold the highest ethical business practices. We expect that everyone will act with honesty, transparency, and accountability. Our Code of Conduct is regularly reviewed and updated to provide guidance on the standard of behaviour we expect from our people and how to put our Values into practice. We apply our Code of Conduct equally to our Board, our employees, our suppliers, and our contractors.



## 2.4 POLICIES AND STANDARDS

IGO's Policies establish the overarching framework, approach, and specific aims for how our business operates. Our Standards set out our minimum expectations with respect to how we manage our business.

IGO's Group Policies include our:

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Climate Change Policy

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Environmental Policy

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Human Rights Policy

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Risk Management Policy

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Safety and Wellbeing Policy, and

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Stakeholder Policy.

Our Standards include our Common Management System Standards and our Function Standards. Our Common Management System Standards are applicable to all our operations, functions, and employees. Our Function Standards apply only to the relevant business function: Sustainability, Human Resources, Finance, IT, Governance, or New Business.



In 2019, we launched our Human Rights Policy, which addresses six key aims for our management of human rights:



Undertake assessments to identify modern slavery risks in our business and take appropriate action to combat these risks.



Refuse to tolerate any form of forced labour or servitude in our operations.



Prohibit all forms of bribery and corruption and offer strong protection to individuals who report any breaches.



Champion and promote a diverse workplace culture.



Maintain a strategic focus on continuous learning and development to ensure our business practices are aligned with our obligations and Values.



Recognise and respect Aboriginal cultural heritage and collaboratively work with Aboriginal communities affected by our operations.

# 03

# Operations

Locations and Employees

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Supply Chain

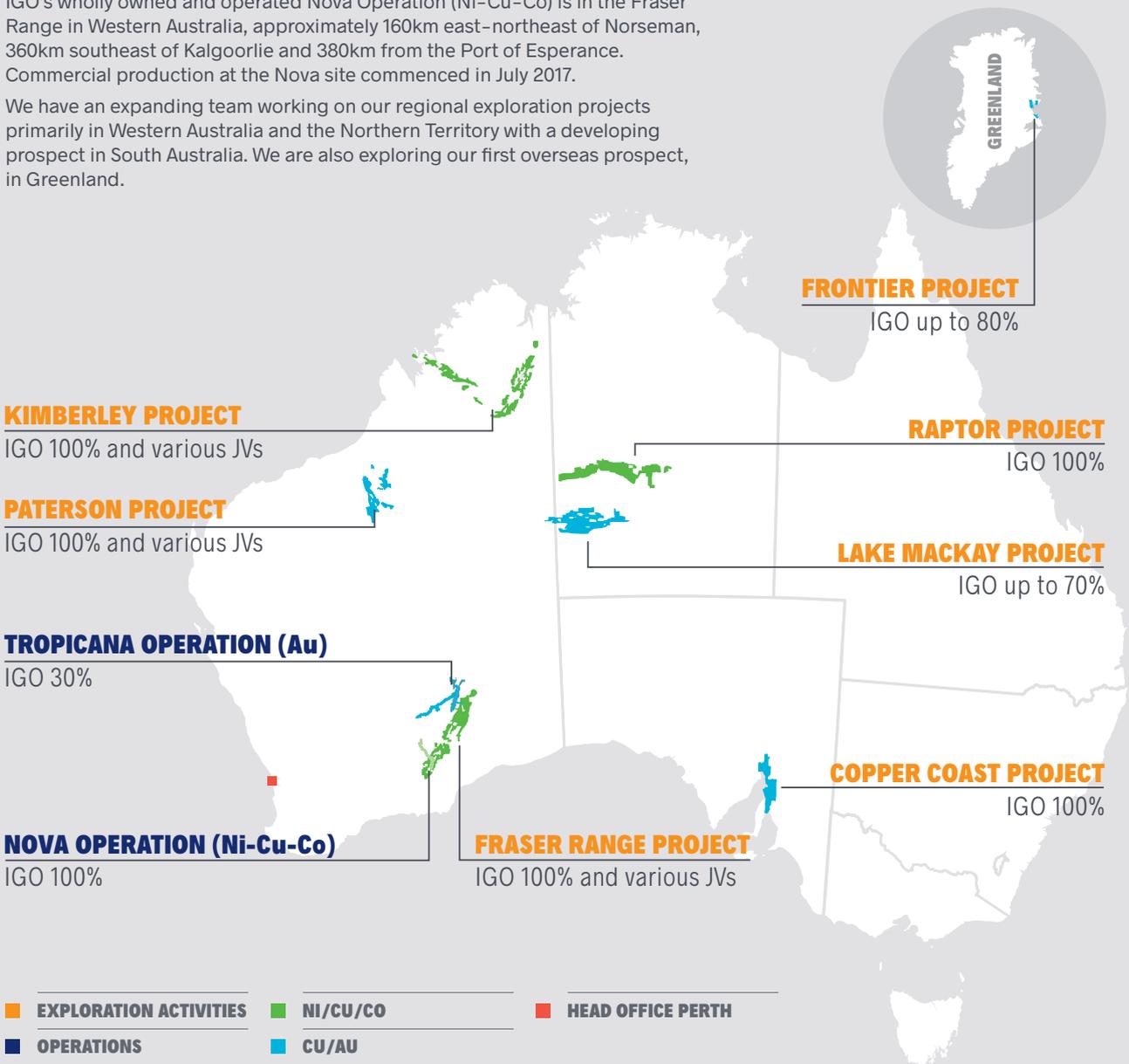
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### 3.1 LOCATIONS AND EMPLOYEES

IGO's wholly owned and operated Nova Operation (Ni-Cu-Co) is in the Fraser Range in Western Australia, approximately 160km east-northeast of Norseman, 360km southeast of Kalgoorlie and 380km from the Port of Esperance. Commercial production at the Nova site commenced in July 2017.

We have an expanding team working on our regional exploration projects primarily in Western Australia and the Northern Territory with a developing prospect in South Australia. We are also exploring our first overseas prospect, in Greenland.



 In FY20 we employed 364 direct employees and 379 contractors across our business. Our workforce is based at our Perth office, or at the Nova Operation, which predominantly operates as a fly-in fly-out site.



### 3.2 SUPPLY CHAIN

 **\$263.1m**  
Tier 1 supplier spend

**1,000+**  
Tier 1 suppliers 

 **98.4%**  
Suppliers located in Australia

The remaining suppliers were in Japan, Indonesia, and the USA.

Our supply chain partners are crucial to IGO’s success. In accordance with our Code of Conduct, we seek to engage like-minded suppliers and business partners who are committed to operating in a safe, lawful, and competitive manner.

IGO sources substantial goods and services to support the mining lifecycle throughout exploration, mining, production, processing, and shipping.

Tier 1 Suppliers are suppliers that IGO directly engages to provide goods and services to support our operations. Tier 2 Suppliers are suppliers that are engaged by IGO’s Tier 1 Suppliers to provide goods and services in support of IGO’s operations.

**Our supply chain contains many types of goods and services in support of our exploration and mining operations. The majority of our spend was in the following categories:**

Mining – specialist companies engaged for mining activities

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Fuel supply

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Drilling – specialist companies engaged for exploration activities

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Bulk haulage

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General supply of processing chemicals, concrete, consumables, parts, and labour, and

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Maintenance works including provision of parts, fabrication, and labour.

# 04

## Our Approach

**Operational Risk Assessment**

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**Supply Chain Risk Assessment**

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**Due Diligence Process Review and Gap Analysis**

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Modern slavery is pervasive, often hidden in the complex supply chains and relationships that are required to support the operations of a business. In this first year of reporting, we have focused on identifying the areas of highest risk of modern slavery in our operations and supply chain. We engaged Ernst & Young (Consultant) to undertake three risk reviews for that purpose: an operational risk assessment, a supply chain risk assessment, and a due diligence review and gap analysis.



## 4.1 OPERATIONAL RISK ASSESSMENT

To allow IGO to better understand the modern slavery risks in our operations, the Consultant undertook an operational risk assessment against indicators of modern slavery.

### 4.1.1 METHODOLOGY

The operational risk assessment considered the modern slavery risk by determining the sector and industry risks, products and services risks, geographic risks, and entity risks. The indicators were based on the ACSI RIAA Modern Slavery Reporting Guide for Investors, the Department of Home Affairs Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities, and the Danish Institute for Human Rights.

### 4.1.2 FINDINGS

The risk assessment identified a number of inherent modern slavery risks generally in the extractives industry - see table. IGO's operational sites are located in Australia, a jurisdiction with a strong regulatory environment and stringent protections around labour rights. As a result, the inherent and residual risk of modern slavery within IGO's operations and workforce is low. No actual incidents of modern slavery were identified within our operations.

### 4.1.3 ACTIONS

The findings of the operational risk assessment indicate that IGO does not need to take any remedial action with respect to modern slavery risks.

### 4.1.4 LOOKING AHEAD

The key operational risks in the extractives industry set out in the table below will inform the continuous improvement approach to our due diligence processes and procedures.

RISK	DESCRIPTION
<b>Contracted and subcontracted labour</b>	Decreased visibility / oversight of contracted and sub-contracted labour increases the risk of modern slavery, particularly in the form of forced labour.
<b>Demand volatility</b>	Resource demand volatility causes fluctuations in demand - affecting production, work force size, and working hours, as well as creating labour hire cost pressures.
<b>Business practices</b>	Aggressive price negotiation, inaccurate forecasting, late orders, short time leads, and last-minute changes to orders may cause pressure on contractors and subcontractors to meet demand and negatively impact working conditions.
<b>Instances of labour exploitation</b>	Labour exploitation has occurred in the resources sector, particularly in jurisdictions with less stringent regulatory requirements to protect the rights of workers.
<b>Recruitment agencies</b>	Recruitment agencies may charge workers, often migrant workers, recruitment or hiring fees, subjecting workers to modern slavery in the form of debt bondage.

## 4.2 SUPPLY CHAIN RISK ASSESSMENT

The greatest risk of modern slavery that IGO faces is within our supply chain. We engaged the Consultant to undertake an independent risk assessment of our supply chain, to provide some clarity as to the nature of these risks and allow us to develop appropriate risk mitigation strategies.

### 4.2.1 METHODOLOGY

The risk assessment reviewed Tier 1 Suppliers with high value spend and / or high criticality to IGO's operations. Each supplier was assessed based upon country risk and category risk. To determine country risk, internationally recognised databases, indices, and reports were utilised to assess the countries in which IGO's Tier 1 Suppliers operate<sup>3</sup>. To determine industry risk, each Tier 1 Supplier was assigned a category in line with the Global Industry Classification Standard (GICS). There are 158 GICS sub-industry categories that consider various factors such as skill level; level of industry regulation; presence of migrant labour; and presence of opaque intermediaries. The overall inherent modern slavery risk score for each Tier 1 Supplier was calculated utilising the country risk score and the industry risk score.

### 4.2.2 FINDINGS

Approximately 98.4% of IGO's Tier 1 Suppliers are located in Australia, a jurisdiction considered a low risk for child labour and debt bondage. We identified 95% of Tier 1 Suppliers as low risk (63%) or medium risk (32%), and only 5% as high risk. The high-risk suppliers were located in Australia and the USA. High-risk supplier categories included electrical components and equipment, industrial machinery, diversified support services (provision of personnel), and marine shipping services.

#### Electrical components and equipment and industrial machinery

Electrical components and equipment and industrial machinery are generally recognised as high-risk industries.

Even if IGO's suppliers are located in Australia, manufacturing of electrical components, equipment, or machinery often occurs in other jurisdictions with far less regulation and oversight, particularly in the extraction of raw materials used for manufacturing processes. Workers may have fewer general protections and are more likely to be subject to some form of modern slavery.

#### Diversified support services

Diversified support services require the provision of personnel for different types of on-site roles, for example in maintenance services, contract catering, accommodation, or facility management. Labour hire and other short-term contract work in this industry is high-risk due to the temporary nature of the work and the lack of visibility over the hiring process. The use of migrant workers combined with strong pressure to reduce costs may increase the risk of modern slavery, particularly in the form of forced labour and debt bondage.

#### Marine shipping

The marine shipping industry is a high-risk category due to the use of complex international supply chains and contracting arrangements, and the lack of appropriate policies and procedures to manage these complexities. Modern slavery may be prevalent in the lack of general protections for workers, the payment of wages that are below industry standards, or unacceptable living and working conditions.

### AT A GLANCE

**98.4%**  
Suppliers located in Australia

Australia is considered a low risk jurisdiction for child labour and debt bondage

**95%** Identified as low or medium risk

63% 32%



**5%**

Identified as high risk



Electrical components and equipment



Industrial machinery



Diversified support services (personnel)



Marine shipping services

<sup>3</sup> Resources included UNICEF (2019), Child Marriage, International Labour Organisation (ILOSTATE) (2019), Statistics on forced labour, modern slavery and human trafficking, and Walk Free Foundation (2018), and The Global Slavery Index 2018.

## 4.2 SUPPLY CHAIN RISK ASSESSMENT CONT.

### 4.2.3 ACTIONS

We subjected our high-risk Tier 1 Suppliers to further analysis to ensure that we considered the specific risks present in their operations.

For suppliers in the electrical components and equipment and industrial machinery categories, we determined that there was no ongoing risk of any form of modern slavery as each category contained only one relatively low value, one-off purchase. We are implementing changes to our due diligence and sourcing processes to ensure that we will be able to capture, review, and address such risks prior to proceeding with any future purchases.

Following a review of the various suppliers in the diversified support services category, IGO determined that these suppliers did not present

any immediate concerns, as the scopes generally require specialised and experienced personnel to perform the labour services. We developed a modern slavery questionnaire and retrospectively issued it to selected high-risk suppliers. New suppliers are required to complete a questionnaire and demonstrate the application of appropriate due diligence processes in their operations.

We work with a trusted broker to select suitable suppliers for marine shipping services and will continue to review and refine our approach to engaging marine shipping suppliers.

IGO completed a desktop review of the supply chains of our high-risk Tier 1 Suppliers. Assessed against the GICS categories described in section 4.2.1, we determined that our Tier 2 Suppliers represent a greater

modern slavery risk than our Tier 1 Suppliers. Most of our Tier 1 Suppliers are Australian-based distributors; however, components are often purchased from manufacturers and agents in higher-risk jurisdictions.

### 4.2.4 LOOKING AHEAD

We focused our first modern slavery risk review on our high-risk suppliers. There is no information to suggest that any of our suppliers are engaged in any modern slavery practices, but we recognise that we have limited visibility of our suppliers beyond our Tier 1 Suppliers. Further due diligence is required to better understand and address the modern slavery risks that are present in our extended supply chains. Our contracting arrangements must align with our commitment to end modern slavery.



## 4.3 DUE DILIGENCE PROCESS REVIEW AND GAP ANALYSIS

Due diligence is the most effective way to identify and control the risk of adverse impacts on our business. The due diligence process allows us to understand, identify, and assess modern slavery risks in our operations and supply chains. Importantly, it allows us to avoid, mitigate, and remedy any risks or adverse impacts that we identify. By adopting a risk-based approach to modern slavery, we can implement a more targeted and tailored due diligence method that is most effective to address the risks in our business.

The Consultant conducted a review of IGO's modern slavery due diligence system and prepared a comprehensive gap analysis. The assessment was conducted by way of a desktop review of information and data provided by IGO regarding corporate and operational information and our relevant policies and procedures.

### 4.3.1 METHODOLOGY

The Consultant conducted a review of IGO's modern slavery due diligence system and prepared a gap analysis against a model modern slavery due diligence framework. The model due diligence framework was developed based on global best practice, including the UN Guiding Principles for Business and Human Rights, the OECD Due Diligence Guidance for Responsible Business Conduct, ISO 20400, and the Danish Institute for Human Rights. The gap analysis considered IGO's current approach to managing modern slavery risks, in particular, the design of documented controls, including policies, procedures, and guidelines, and our ability to identify, mitigate, and remedy modern slavery risks and impacts.

### 4.3.2 FINDINGS

The Consultant developed a set of recommendations to assist IGO in adapting our corporate governance and risk management framework to better identify, mitigate, and remediate modern slavery risks and impacts.

### 4.3.3 ACTIONS

IGO has a robust corporate governance and risk management framework process that considers many risks in our business, but not specifically in relation to modern slavery risks.

Following on from the due diligence gap analysis, IGO has commenced implementing changes to our risk-based due diligence approach to modern slavery risks. We developed an assessment tool to identify high-risk jurisdictions and high-risk industries utilising the industry risk and country risk assessment methodology outlined in section 4.2.1. Prior to the commencement of any new procurement process for high-value goods or services, procurement personnel use the assessment tool to determine the risk of modern slavery.

We now utilise a modern slavery questionnaire in our tender processes and ensure that proponents in high-risk industries or high-criticality scopes complete the questionnaire in their tender submission. The questionnaire is reviewed by trained procurement personnel and the proponent's ability to address modern slavery risks is evaluated as part of the tender. If the risk of modern slavery is identified as high, we will undertake additional due diligence activities to ensure that we understand the nature of that specific risk and that we execute sufficient controls to mitigate those risks.

### 4.3.4 LOOKING AHEAD

We will continue to subject our due diligence framework to our continuous improvement strategies and build effective due diligence performance monitoring and evaluation methods.

# FY21 Actions

IGO adopts a continuous improvement and review approach to address the evolving risks of modern slavery in all facets of our business. In FY21, we aim to achieve the following actions.

- Supplier Risk Assessment** ➤ Continue to refine and review our assessment of modern slavery risks in our supply chain
- Performance monitoring** ➤ Develop metrics to review and assess the overall effectiveness of our management of modern slavery risks
- Corporate Governance** ➤ Continue to review and update our key documents to reflect our modern slavery commitments
- Contracting Arrangements** ➤ Update our contract templates with modern slavery due diligence obligations
- Training** ➤ Expand delivery of modern slavery awareness training to employees and key suppliers

## APPROVAL

This statement was prepared in consultation with each entity within the IGO Group and approved by IGO's Board of Directors on 25 January 2021.



**Peter Bilbe**  
Chairman, IGO Limited