

Evolution  
MINING

# 2021 Modern Slavery Statement



# 2021 Modern Slavery Statement

***Evolution acknowledges our First Nation Partners and Indigenous Peoples throughout Australia and Canada and recognises their continuing connection to land, waters and community. We pay our respects to them and their cultures, and to Elders past, present and emerging.***

## About this Statement

Evolution Mining Limited (Evolution) (ABN: 74 084 669 036) is an Australian public company listed on the Australian Stock Exchange (ASX: EVN). The Company is registered at Level 24, 175 Liverpool Street, Sydney, New South Wales, Australia.

Modern slavery is the term used to describe human trafficking, slavery and slavery-like practices such as servitude, forced labour and debt bondage. The International Labor Organization (ILO) estimates that there are approximately 40 million victims a year, with women and girls comprising 71% of all victims<sup>1</sup>.

Our Modern Slavery Statement has been published in accordance with the Australian Modern Slavery Act 2018 (Cth) (MSA or Act) for the financial year ending 30 June 2021 (FY21). This statement addresses the specific reporting criteria required in s16(1) of the MSA and describes the steps taken by Evolution to address and mitigate modern slavery risks in our operations and supply chains.

This statement covers the activities of Evolution and all entities within the Evolution Group structure<sup>2</sup>. Each entity is covered by Evolution's policies, procedures and systems, including those relating to contracting, purchasing and human resources. The modern slavery risks and impacts associated with projects which we do not operate are not included in this statement. We regularly engage with joint venture partners and operators on key issues affecting project outcomes, including human rights and modern slavery.

This statement was approved by Evolution's Board of Directors in November 2021.

## Modern Slavery Act Criteria

This Modern Slavery Statement was prepared to meet the mandatory reporting criteria set out under the Modern Slavery Act. The table below identifies where each criterion is disclosed within this statement.

Modern Slavery Act Criteria	Location
Identifying the reporting entity	Page 2
Letter from the Executive Chairman	Page 3
Describe the reporting entity's structure, operations and supply chains	Pages 5-8
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	Pages 11-16
Describe the actions taken by the reporting entity and any entity it owns or controls to assess and address those risks, including due diligence and remediation processes	Pages 11-16
Describe how the reporting entity assesses the effectiveness of these actions	Pages 15-16
Describe the process of consultation with any entities that the reporting entity owns or controls	Pages 6-7
Other relevant information about this statement	Pages 5, 6, 8, 9, 10, 16

<sup>1</sup> <https://www.ilo.org/global/topics/forced-labour/lang--en/index.htm>  
<sup>2</sup> See Evolution's [2021 Annual Report](#) for a listing of all entities

# 2021 Modern Slavery Statement

## Letter from the Executive Chairman

On behalf of the Evolution Board of Directors, I am pleased to release our second Modern Slavery Statement and report that, following extensive review, no violations of human rights, including the rights of our First Nation Partners and Indigenous Peoples, were recorded during FY21.

This statement articulates the steps we have taken to mitigate the risk of modern slavery and human trafficking within our business and supply chains and is aligned with the Act, to 30 June 2021. Evolution has consistently integrated sustainability into the way we do business. Every decision we make has our sustainability vision as an integral part of our purpose to “deliver long-term stakeholder value through safe, low-cost gold production in an environmentally and socially responsible manner.” Respecting the human rights of individuals in our supply chain is an important element of our business and sustainability principles. We reject any activities which may cause or contribute to modern slavery, including forced or bonded labour, child labour, human trafficking, slavery, servitude, forced marriage or deceptive recruiting for labour or services.

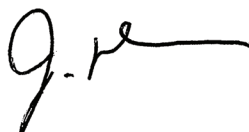
The alignment of our Sustainability Policy, Standards, Principles and the 2021 Sustainability Report with the United Nations’ Sustainable Development Goals (SDGs) and UN Guiding Principles on Business and Human Rights demonstrates the commitment from the Evolution Board to delivering economic benefits to all our stakeholders in a socially responsible manner. We believe this is core to our values and how we lead our business.

Evolution’s risk-based approach includes engaging with our direct suppliers to educate, assess and encourage improvement in their own capacity to manage modern slavery risks within their broader supply chains.

We also became a signatory to the United Nations Global Compact (UNGC) in FY21 and included our first “Communication on Progress’ within the 2021 Sustainability Report. As a signatory to the UNGC, Evolution has committed to advancing all Ten Principles of the UNGC, including Principles One and Two: Human rights and respect for human rights, as outlined in the United Nations Universal Declaration of Human Rights.

While we have taken important steps to further strengthen our approach to managing modern slavery risks across our business and supply chains, we recognise that this work will be ongoing. Further, we remain committed to transparent reporting on this complex issue and to the ongoing improvement and refinement of our approach.

Yours faithfully



**Jake Klein**

Executive Chairman

# 2021 Modern Slavery Statement

## FY21 highlights

**No incidents of modern slavery were identified in our Australian and Canadian operations or supply chains in the reporting period**

Became a signatory to the UNGC and a member of their Modern Slavery Communities of Practice



**Updated our Supplier Standards to explicitly prohibit modern slavery**

**Conducted face-to-face Modern Slavery Awareness Training<sup>4</sup> to 4 out of 5 Evolution sites<sup>5</sup> with 71% completion rate**

**Developed a supplier assessment questionnaire and issuance to potential high-risk suppliers**

Completed independent sustainability materiality assessment

**Updated Standard contract terms to consider modern slavery risks and expectations**

Developed a Modern Slavery Business Guide

**Developed a draft Sustainable Procurement Framework in alignment with ISO 20400 Sustainable Procurement Guidelines**

<sup>3</sup> 54% of questionnaires issued were returned in FY21

<sup>4</sup> Training completed by Site Leadership Teams, Managers, Superintendents, Supervisors and Supply Teams

<sup>5</sup> Cowal's training will be rolled out in FY22

# 2021 Modern Slavery Statement

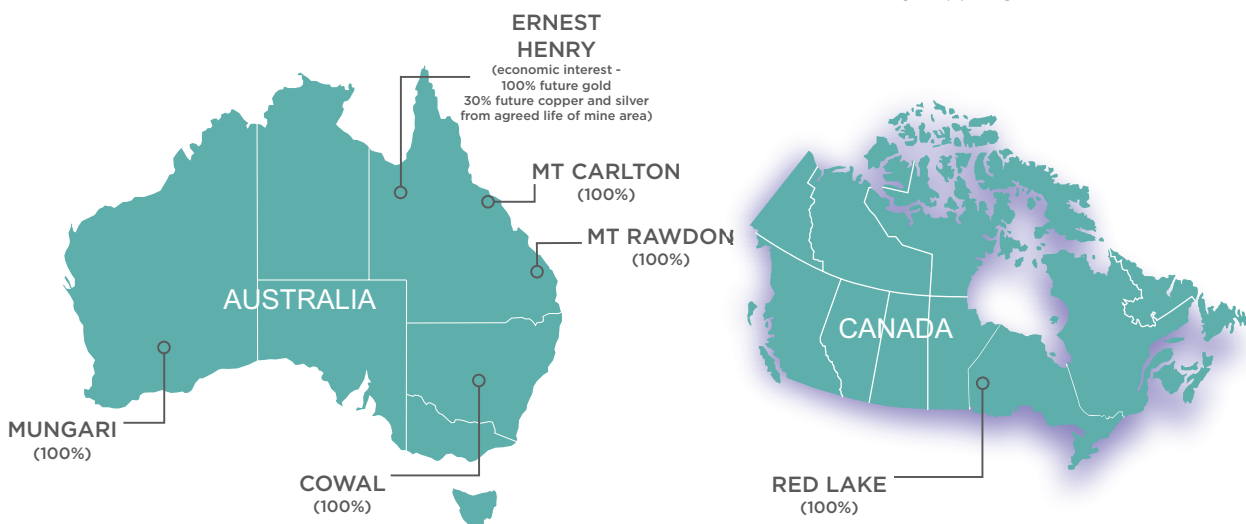
## Our commitment to international standards and collaboration

We commit to internationally recognised human rights frameworks, standards and goals including:	We are signatories to the following commitment	We engage with other organisations to improve understanding and develop ideas to manage modern slavery risk, including:
UN Guiding Principles on Business and Human Rights	UNGC – encourages businesses to adopt sustainable and socially responsible policies, and report on implementation	UNGC Network Modern Slavery Community of Practice
Sustainable Development Goals (SDGs)		UNGC SDGs Accelerator Programme
Global Reporting Initiative		Monash University (engagement on their ASX100 Modern Slavery Statement Disclosure Quality Research Report <sup>6</sup> )

## Our Structure, Operations and Supply Chain

### Our Structure and Operations (as at 30 June 2021)

Evolution is a leading growth-focused Australian gold miner operating five wholly-owned mines – Cowal in New South Wales, Mt Carlton and Mt Rawdon in Queensland, Mungari in Western Australia (including the recently acquired Kundana and East Kundana assets from Northern Star) and Red Lake in Ontario, Canada (including the recently acquired Bateman asset from Battle North Gold). In addition, Evolution holds an economic interest in the Ernest Henry copper gold mine in Queensland.



Our head office is located in Sydney, with a regional office in Perth. As at 30 June 2021, we employed 2,681 people across our corporate offices and mine sites (including contractors and labour hire). Our Supply teams across the business manage and coordinate procurement activity across the end-to-end procurement lifecycle, ensuring sourcing of goods and services is undertaken in accordance with the Company's policies and procedures.

Evolution has made a strategic decision to operate in the Tier 1 jurisdictions of Australia and Canada, where community support, our social licence to operate and the contribution we can bring to our communities are amongst our most valuable assets.

The steps being taken to address modern slavery helps our stakeholders have confidence that the commodities have been produced and sold respecting human rights. These are aligned with our values of Safety, Excellence, Accountability and Respect, that support our vision of inspired people creating a premier global gold company.

6 [ASX100 Modern Slavery Statement Disclosure Quality Research Report](#)

# 2021 Modern Slavery Statement

In FY21, we produced 688,788 ounces of gold, generated A\$1.8 billion in revenue and contributed A\$1 billion in payments to suppliers, A\$328 million in wages, A\$63 million in royalties, A\$96 million in taxes, A\$17 million in interest, A\$273 million in dividends and A\$3 million in community investment.

For more information about our business, refer to our 2021 Annual Report<sup>7</sup> and our website<sup>8</sup>.

## Our Supply Chain

Across Evolution, we are committed to supporting local suppliers and contractors that have businesses in the regions in which we operate. Our procurement teams actively source from local suppliers and contractors and include them in sourcing activities where their technical skills and capability are assessed to meet our business requirements. We also encourage large contractors to develop local facilities and partnerships to build capacity locally, resulting in employment opportunities and a transfer of skills.

Evolution directly engages a large number of suppliers to source a wide variety of goods and services. Our supply chain is complex, with 6,300 registered suppliers of which 4,595 were active in FY21. Of the 4,595 active suppliers, approximately 63% vendors are in Australia and 37% vendors in Canada.

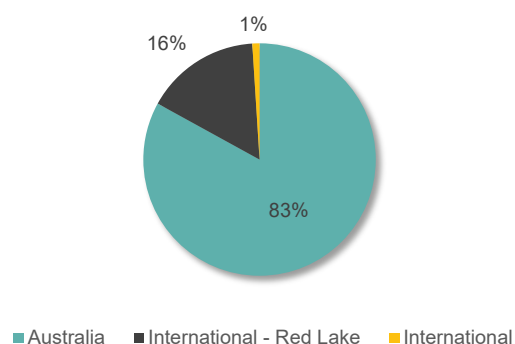
In FY21, we spent A\$129 million directly with local and regional suppliers, including A\$100 million with local suppliers, a 27% increase compared to FY20. Our increase in this spend is due to our efforts to more actively identify opportunities to include local, regional and Indigenous suppliers.

As Evolution's operations are based in Australia and Canada, the majority of the direct (Tier 1) suppliers are also based in Australia. However, we recognise that some of our direct suppliers have operations, or engage subcontractors (Tier 2 and beyond), in other jurisdictions. These other jurisdictions make up less than 5% in total.

### FY21 Tier 1 Supplier Jurisdictions:

- Australia (83%)
- Canada (16%)
- Other International: United States of America, United Kingdom, China, Switzerland, Philippines, Singapore (1%)

**FY21 Percentage spend by source**

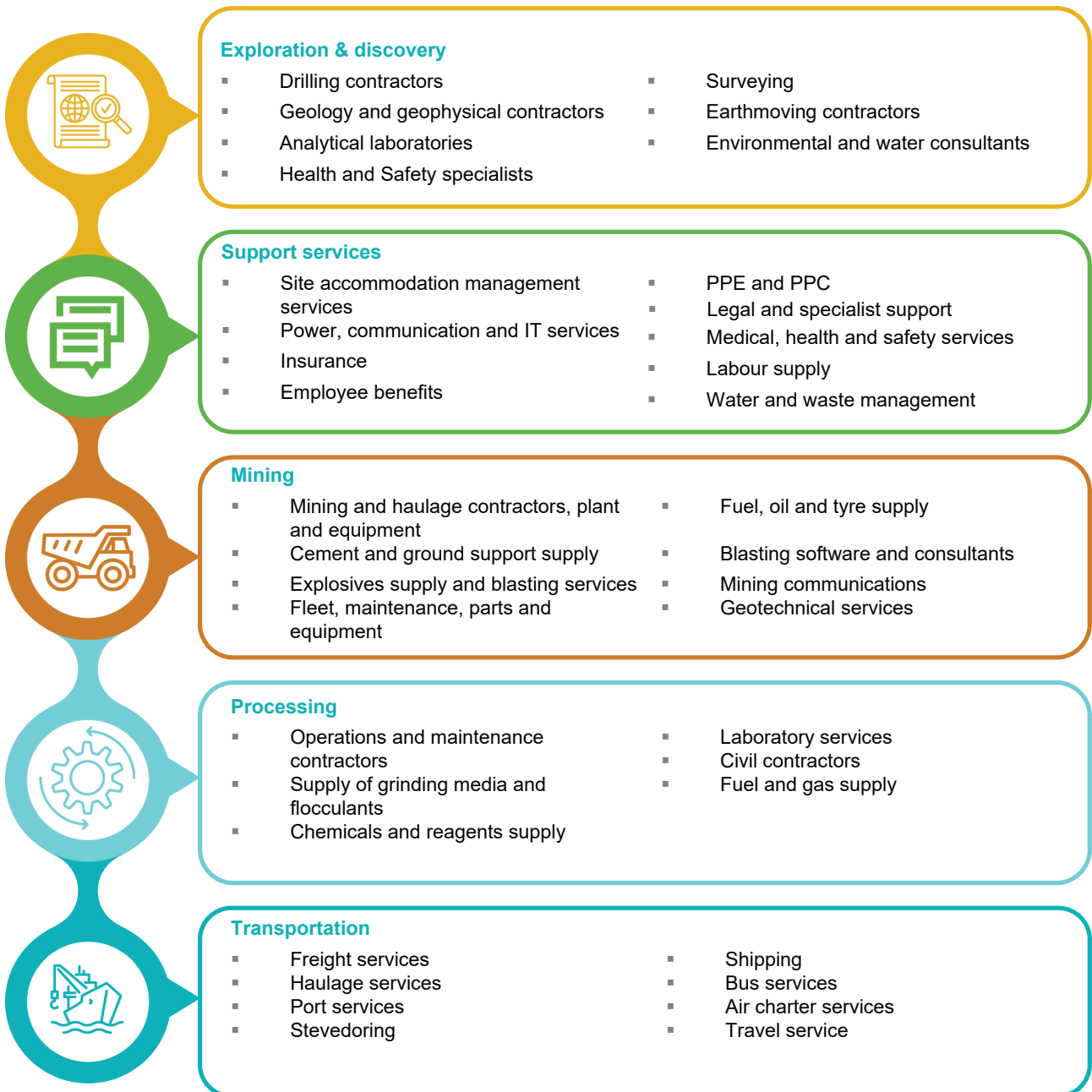


<sup>7</sup> [2021 Annual Report](#)

<sup>8</sup> [Evolution Mining website](#)

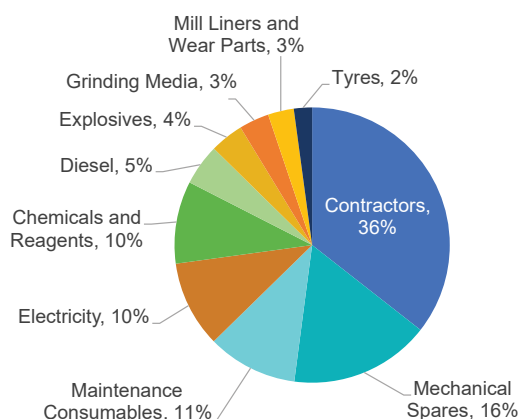
# 2021 Modern Slavery Statement

## Evolution Supply Chain



# 2021 Modern Slavery Statement

**FY21 Top 10 Spend by Category (%)**



## Our Approach

### Sustainability

Sustainability is integrated into every aspect of the business. The objective of our sustainability efforts is to deliver long term stakeholder value through safe, low-cost gold production in an environmentally and socially responsible manner.

In FY21, Evolution was proud to become a signatory of the United Nations Global Compact (UNGC), joining the global business community in a commitment to sustainable business practices, aligning our strategies with the UNGC's Ten Principles, including human rights.

Evolution has nine Sustainability Principles<sup>9</sup> that provide the foundation for how we approach and integrate sustainability into everything we do. These principles align with the UNGC and the UN SDGs and support our drive for improvement as we mature in our sustainability journey, including our focus on Human Rights.

We conducted a materiality assessment in FY21 aligned with the Global Reporting Initiative Standards to analyse Evolution's key sustainability topics, including modern slavery and human rights. This assessment included an in-depth desktop study of a range of internal and external inputs, interviews with key stakeholders and an online stakeholder survey. In FY21, modern slavery and human rights was identified as a material topic for Evolution.

More information on the material topics listed above as well as our Sustainability Strategy and Principles can be found in our 2021 Annual Report.

### Corporate Governance

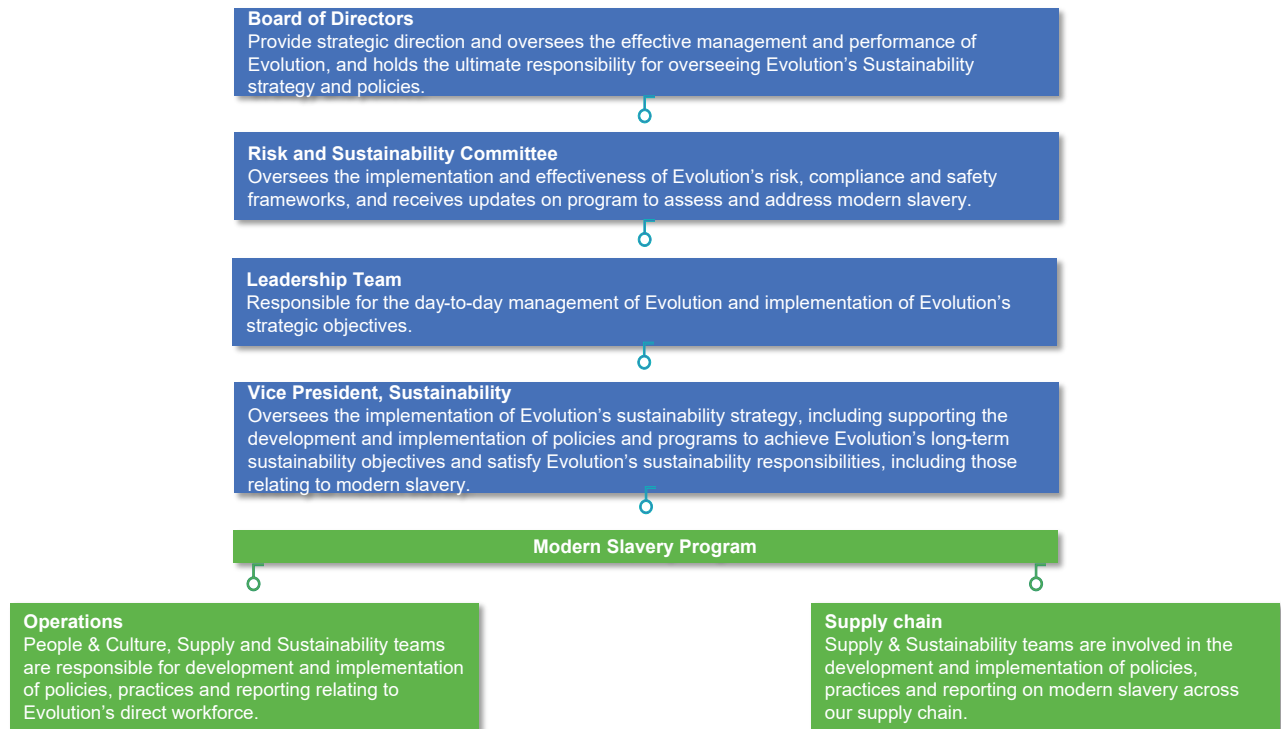
Evolution's approach to assessing and addressing modern slavery risk is managed via the same governance structure for managing Evolution's material environmental, social and governance (ESG) risks and opportunities, as outlined below.

<sup>9</sup> <https://evolutionmining.com.au/sustainability/>



# 2021 Modern Slavery Statement

## Evolution's Modern Slavery program governance structure



The Board of Directors is accountable for the oversight of all sustainability issues and has delegated responsibility to the Board Risk and Sustainability Committee for ensuring the effective management of human rights-related risks, including modern slavery, as set out in its Charter<sup>10</sup>. To ensure oversight of modern slavery risks and monitoring of our progress internally, Evolution's Leadership Team and Risk and Sustainability Committee are provided with periodic updates on the status of due diligence activities and the performance of our suppliers.

Our Vice President Sustainability has responsibility for assessing and managing modern slavery risks within our supply chain and within our business. The day-to-day implementation and coordination of modern slavery and human rights activities is undertaken by our Group and site Sustainability teams in close collaboration with other areas of the business, including the Commercial and Supply teams who manage all procurement processes including supplier due diligence, contracts and engagement.

For further information on our corporate governance, refer to our 2021 Corporate Governance Statement<sup>11</sup>.

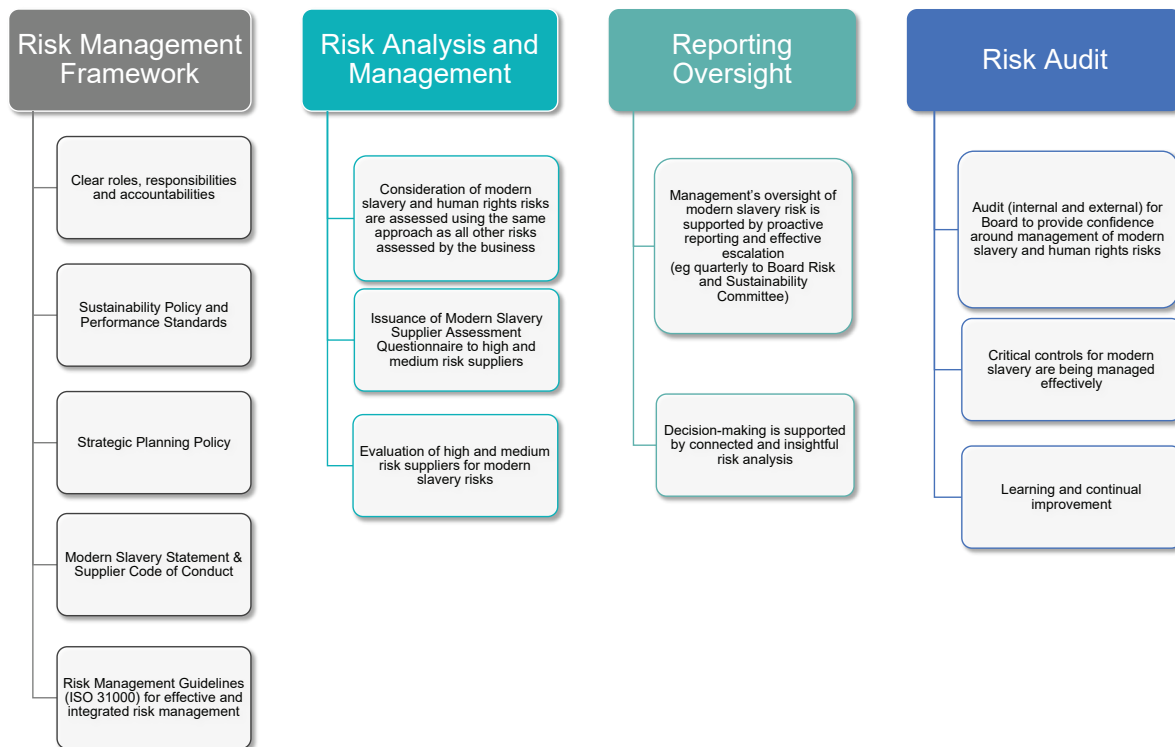
## Risk Management, Policies, Standards and Procedures

Evolution is committed to the protection of human rights and the prevention of modern slavery. Our risk-based decision approach is underpinned by the Sustainability and Strategic Planning Policies, Standards, Integrated Risk Management Framework, supported by business guides, site processes and procedures that also align to the principles of the Australian and international standards and guidance.

<sup>10</sup> [Risk and Sustainability Committee Charter](#)  
<sup>11</sup> [Corporate Governance](#)

# 2021 Modern Slavery Statement

## Risk Management Process



Contained within the Sustainability Performance Standards<sup>12</sup> is our Human Rights Standard that defines the minimum requirements in relation to respecting the basic rights and fundamental freedoms to which all human beings are entitled, including the protection of minority groups' rights and women's rights. It also provides the minimum requirements for identifying and mitigating potential threats to human rights and following performance requirements:

- Conduct a risk based Human Rights Impact Assessment and develop a process to screen and regularly monitor business partners and other stakeholders engaged by Evolution to identify actual or potential human rights impacts, including modern slavery
- Implement induction awareness training of human rights responsibilities for senior management, employees, business partners and other relevant stakeholders

Evolution has several additional policies in place relevant to modern slavery and human rights, all of which are approved by the Board or one of its committees. These include:

- Code of Conduct<sup>13</sup>
- Procurement Statement<sup>14</sup>
- Whistleblower Policy<sup>15</sup>

Additionally, Evolution's Supplier Code of Conduct<sup>16</sup> communicates the expectations and minimum standards we place on our suppliers with regards to ESG risks and impacts, including complying with all applicable legislation in relation to employment practices and respecting and supporting human rights.

The above governance structure and policies apply to all entities owned and controlled by Evolution.

Matters relating to sustainability, including human rights, are recorded in a database and communicated widely across the organisation dependent on the issue. These are reviewed regularly across the business including by the Board Risk and Sustainability Committee, supported by the site leadership teams, subject matter experts and the Leadership Team to ensure effectiveness of the management of those risks.

Our suppliers are expected to uphold the same standards and approach towards human rights. Continual improvement and ongoing review and assurance of the management of modern slavery, including close collaboration with our Tier 1 suppliers, is part of the integrated approach to the management of risk at Evolution.

12 [Sustainability Performance Standards](#)

13 [Code of Conduct](#)

14 [Procurement Statement](#)

15 [Whistleblower Policy](#)

16 [Supplier Code of Conduct](#)

# 2021 Modern Slavery Statement

## Identification, Assessment and Mitigation of Modern Slavery Risks

We know that modern slavery has long-lasting impacts on affected individuals and communities around the world. Modern slavery is defined in the MSA as including eight types of serious exploitation: trafficking in persons; slavery; servitude; forced marriage; forced labour; debt bondage; deceptive recruiting for labour or services; and the worst forms of child labour.

Respecting the human rights of individuals in our supply chain is an important element of our business and sustainability principles. The alignment of our Sustainability Policy, Standards and Principles with the UNGC, the UNSDGs and the UN Guiding Principles on Business and Human Rights demonstrates the commitment from the Evolution Board to delivering economic benefits to all our stakeholders in a socially responsible manner. We believe this is core to our values and how we lead our business.

Evolution has a zero tolerance to all forms of modern slavery. We have taken steps to understand these risks within our business and supply chain to ensure ongoing management of these risks. We are aware of the risk of modern slavery in our Tier 1 supply chains and the need to be vigilant in identifying where there is the potential to cause, contribute to, or be directly linked to modern slavery activities.

## Operational and Supply Chain Risks

### Modern slavery risks in our direct workforce

We consider the risks of modern slavery practices within our direct operations and workforce as low, as our employees are primarily working within Tier 1 jurisdictions, Australia and Canada.

Modern slavery risks that relate to our operations and direct workforce are assessed in the context of our health and safety and human resources policies and practices, ethical standards and behavioural conduct requirements as per our Code of Conduct. They are also assessed against our legal and contractual obligations such as employment conditions. We maintain robust internal policies, systems and processes to comply with our legal and contractual obligations and to manage entitlements relating to our people.

Workplaces that promote mental and physical health and psychological safety are vital to building trust and respect. By investing in mental health and wellbeing programs, we aim to improve health, safety and business outcomes. Our FY21 plan to enhance awareness, understanding and support for holistic wellbeing was accelerated by the COVID-19 pandemic and we continue to adjust our protocols and measures put in place on the advice from the relevant government and health specialists, particularly to ensure the safety and wellbeing of our people.

Evolution is also committed to providing workplaces where our people, including contractors and business partners, are physically and psychologically safe, healthy and well. Our workforce is expected to comply with health and safety requirements that are supported by our systems and processes, including our Sustainability Policy and Sustainability Performance and Strategic Performance Standards.

These programs collectively help to create a workplace that supports our people professionally and personally and minimise the risk of modern slavery practices.

### Modern slavery risks in our supply chain

According to the Walk Free Foundation's Global Slavery Index, the mining industry in Australia and Canada is not considered to be high-risk for modern slavery<sup>17</sup>, with the most relevant areas for human rights risks within our operations being personal protective equipment (PPE), shipping, labour conditions and the rights of First Nation Partners, Indigenous Peoples and communities where we operate. We understand that companies can inadvertently elevate the risk of human exploitation by placing unreasonable demands on suppliers. This is considered when engaging with suppliers.

We recognise that our Australian suppliers (who comprise 95% of our supplier spend) provide us with goods and services across various categories with various inputs to their supply chains which may be sourced from known potential high-risk areas and therefore will require further engagement and assessment.

The following categories continue to be our high-risk categories:

- Personal Protective Equipment (PPE)
- Chemicals
- Tyres
- Lime and Cement

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

# 2021 Modern Slavery Statement

- Fuel
- Grinding Media
- Lubricants

Factors that elevate the risk of labour exploitation and modern slavery practices in the above categories include:

- Demand for low-skilled and manual labour, including through migrant workers
- The use of third-party recruitment/labour hire agencies and complex subcontracting arrangements
- Long and complex supply chains for manufactured products and raw materials including shipping and inland transport that stretch across high-risk countries for modern slavery practices
- Poor visibility over indirect suppliers (Tier 2 and beyond)

Evolution complies with all local applicable laws and regulations relating to hiring children and our hiring practices conform with the International Labour Organization (ILO) conventions for minimum age and child labour.

In FY21, an internal audit of each asset for compliance was completed against the Sustainability Performance Standards, which includes our Human Rights Standard. While we identified areas for improvement, no material risks or issues were identified. These findings were independently verified by third-party auditors. Both the inherent and residual modern slavery risks within our operations were assessed as low. No gaps were identified in the current controls. These controls are applied consistently across our operations.

A review of the Standards is also being undertaken to reflect on learning internally and globally to strengthen the minimum Standards within the business.

Evolution will seek further information from suppliers in these highest risk categories on their modern slavery practices, and also address relevant modern slavery risks, through our Sustainable Procurement Framework.

## Sustainable Procurement Framework

A Sustainable Procurement Framework is being developed which aims to ensure that sustainable procurement practices are embedded in our business, ensuring ESG standards are maintained and continuously improved throughout the procurement lifecycle. The framework takes into account our operational risks, the material issues identified in the FY21 Materiality Assessment and aligns with the ISO 20400 Sustainable Procurement Guidelines. The framework also focuses on building on our existing processes, as well as greater collaboration with suppliers, to identify, manage and mitigate actual and potential adverse human rights impacts of our procurement activities and decisions.

## Procurement Statement

Evolution's Procurement Statement sets out how Evolution is to carry out procurement activities and is aligned to our Values, Code of Conduct, and Supplier Code of Conduct. It considers various ESG factors that are integrated into our market engagement procurement activities and vendor onboarding process. This includes the potential risk of modern slavery as part of our evaluating and onboarding process. Focus areas include:

- Environmental performance
- Local and Indigenous sourcing
- Modern slavery
- Health and safety
- Support for the workforce
- Contractor management
- Compliance
- Governance

Suppliers are expected to have a similar focus on governance and sustainability obligations.

# 2021 Modern Slavery Statement

## Supplier Code of Conduct

Suppliers for Evolution play a key role in helping to deliver on our strategy and to do this, Evolution expects our suppliers to uphold similar values and behaviours. Our Supplier Code of Conduct outlines the expectations we have of our suppliers. Suppliers are required to be accountable for their actions and commit to ensuring they conduct their business in alignment with Evolution's values and behaviours. Suppliers may periodically be audited or required by Evolution to certify or provide information relevant to their compliance with the Supplier Code of Conduct. A copy is made available to all new contractors or suppliers in Australia during the onboarding or engagement process.

## Strengthening Supplier Contracts

One of the ways in which we articulate our human rights expectations and control the potential risk of modern slavery arising in our supply chain is through our contracting process with our Tier 1 suppliers. Modern slavery specific provisions have been incorporated in our procurement contracts and vendor trading terms.

We have incorporated modern slavery provisions in our standard contractual terms and conditions for the supply of goods and services. These provisions:

- Prohibit modern slavery practices by the contractor or its subcontractors
- Provide Evolution with the right to audit and to terminate the contract
- Mandate the inclusion of similar provisions in contractors' supply activities, thus cascading the provisions down through the supply chain

Our supplier contracts require compliance with stringent safety, environment, social criteria and adherence to our policies and standards. Through regular supplier relationship meetings and key performance indicator reporting, we monitor ongoing compliance and performance.

This was evidenced through the response to the pandemic where there was also added focus regarding supply chain assurance and sourcing of personal protective equipment (PPE) for our business. The Evolution crisis management team assessed at risk supply chains and increased communication to manage any exposures to the potential risks of supply disruptions. Measures were put in place to mitigate the risk of transmission of COVID-19 into our operations and we have worked with our suppliers to instigate controls to manage potential exposure to the virus. Evolution has existing relationships with most of these suppliers which helped to manage the risk of new supply chains with unknown risk of modern slavery.

## Collaboration and Engagement

We recognise how important collaborating with peers is to effective management and mitigation of modern slavery and human rights risks.

We became a signatory to the UNGC, the world's largest corporate sustainability initiative. We report annually on our progress towards the implementation of the UNGC principles, including in relation to human rights. We are also an active participant in the Global Compact Network Australia (GCNA) and a member of GCNA's Modern Slavery Community of Practice (COP). The COP aims to support companies to work together to solve problems, share knowledge, cultivate best practice and foster innovation.

Following the release of Monash University's ASX100 Modern Slavery Statement Disclosure Quality Research Report, Evolution met with the University researchers to understand their ranking methodology, assessment criteria, and additional insights around best practice in modern slavery practices.

Several of our Australian procurement staff are members of PASA (Procurement and Supply Australasia), a leading provider of information and education to procurement and supply professionals throughout Australia and New Zealand. This includes membership to PASA Connect which facilitates various round table and information sharing sessions led by subject matter experts, allowing members to build relationships with peers and explore solutions to current challenges, gain exposure to new ideas and practices, and benchmark our capabilities. A number of these sessions have been focused on modern slavery and human rights.

## Modern Slavery Business Guide

In 2021, we developed an internal Modern Slavery Business Guide which is designed to assist Evolution personnel, including Site Leadership Teams, Managers, Superintendents, Supervisors and Supply Teams, in assessing the risk of modern slavery occurring in our supply chains, the steps being taken by Evolution to mitigate the risk and the actions required to provide assurance that our business is free from modern slavery.

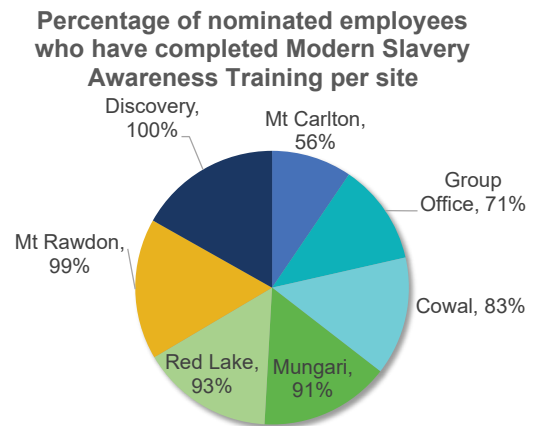
# 2021 Modern Slavery Statement

The Business Guide provides an internal escalation process from where possible modern slavery issues have been identified in our supply chain right through to notification at the senior executive level and includes a risk-based process to assess, report and where required, take action to address the risk of modern slavery occurring in our business operations and supply chain.

## Education and Training

Evolution has developed an education pack which has been rolled out to all Evolution employees who have been identified as being involved in our business supply chains to make them aware of our expectations with regards to human rights and modern slavery. This training is conducted through our sustainability system INX, a cloud-based system that assists us with managing risk, safety, health, training and quality. Training was conducted with employees who have direct responsibility for supply chain management, including Site Leadership Teams, Managers, Superintendents, Supervisors and Supply Teams and is also included in new starter inductions.

We have also conducted a number of face-to-face education sessions to commercial, procurement and supply personnel on modern slavery, as well as 'lunch and learn' sessions to allow the opportunity for Q&As and discuss any concerns or case studies.



## Contracts and Market Engagement

One of the ways in which expectations on human rights are established is via our contracting process with our Tier 1 suppliers and through our market engagement process.

Contracts with our Tier 1 suppliers require compliance with stringent safety, environment and social criteria along with specific provisions around modern slavery, and they must adhere to our policies and procedures. Through regular supplier relationship meetings and key performance indicator reporting, we monitor ongoing compliance and performance.

Market engagements are issued through our tender management platform. Questions are provided to potential suppliers for completion and the Evolution evaluation team reviews and scores them. The questions require strict adherence to our Supplier Code of Conduct and are also designed to provide insight to the ESG practices of potential suppliers and assess their organisational fit with our overall business, including our values and expectations.

### Case Study: Launching our Supplier Assessment Questionnaire (SAQ) for Tier 1 Suppliers

Our SAQ was launched in FY20 and forms an important component of our process to identify and assess risks within our higher risk suppliers.

Evolution's SAQ supports the identification of modern slavery risks and fosters collaborative efforts with our suppliers to identify risks, improve supply chain transparency, and provide areas for further due diligence. It is also designed to educate suppliers of the importance of modern slavery legislation and requests responses to a series of questions which help to identify the geographic locations of their business operations, assess the risk of potential for modern slavery in their supply chains, determine the level of governance within their business and the training needs required to make their workforce aware of modern slavery risks.

In FY21, 76 medium to high-risk suppliers were identified across the business and each supplier was issued with a questionnaire on human rights and modern slavery. These assessments to date have not identified any material breaches to modern slavery practices in our operations or supply chain. However, we did identify potential risks in some of the supply chain; the relevant suppliers provided satisfactory assurances and corrective measures have not been required.

# 2021 Modern Slavery Statement

In FY21:

- 100% of medium and high-risk suppliers<sup>18</sup> received a modern slavery questionnaire
- 54% of medium and high-risk suppliers<sup>18</sup> assessed for human rights risks
- 0% of suppliers assessed where human rights risks have been identified
- Zero human rights risks identified with mitigation or remediation processes required and implemented

In FY22, we will continue to administer the SAQ to higher risk suppliers and will work with them to address any issues identified.

## Supplier Engagement

We engage with our suppliers both formally and informally, including onsite visits by our teams, surveys and structured meetings. These engagements are a valuable insight into the experience of workers and aim to validate information supplied. We set corrective actions from these engagements and the findings are used to improve our future due diligence assessments for current and potential suppliers, using a risk-based approach:

- During pre-qualification, the tendering process, or at the renewal of an existing contract term, a formal risk assessment is conducted for all our suppliers
- Based on the risk assessments, suppliers may be required to supply additional information
- Further due diligence may occur, including the use of third-party verification of supplied information

Evolution continues to build relationships and work with organisations to address modern slavery risks across our shared supply chains. We also reserve the right to suspend, discontinue or terminate relationships with suppliers when we have a reason to suspect or can identify that the supplier:

- Is in breach of the law; or
- Refuses or fails to demonstrate reasonable and timely efforts to implement agreed corrective actions required to operate in accordance with our Supplier Code of Conduct

## Due Diligence and Continual Improvement

Continual improvement and ongoing review and assurance of the management of modern slavery is part of the integrated approach to the management of risk at Evolution.

## Assess Effectiveness

We have built on our understanding of potential modern slavery risks in our operations and supply chain. Through consultation with external human rights and sustainability specialists, we have undertaken several key activities which form this basis of our modern slavery action plan and supplier risk assessment process. These activities include:

**Modern slavery awareness:** We continue to educate our business in the risks of modern slavery and how to identify potential threat through information sessions, inductions, online training and lunch and learn sessions, including risk-based training to our senior operations leaders and procurement staff.

**Supplier risk identification and prioritisation:** We continue to review our highest spend suppliers against modern slavery risk identification and have identified high-risk procurement categories. This enables us to focus on our supplier due diligence on the highest risk suppliers.

**Supplier meetings:** We conduct scheduled and regular on-site meetings with our suppliers to ensure both they and their supporting supply chain are meeting our agreed standards. We have discussed the introduction of the modern slavery legislation, and where required, we requested that they provide supporting evidence of the actions their business is taking to address the modern slavery risk.

**Supplier surveys:** We continue to conduct more extensive due diligence of our highest priority suppliers through the SAQ process. Analysis of the supplier responses inform our requirements for continued engagement with, and risk management expectations of, these suppliers. We value the partnerships we have formed with our suppliers and continue to work with them to effectively assess and address modern slavery risks and impacts.

**Supplier audits:** Due to the COVID-19 pandemic the planned FY21 supplier audits in FY21 have been rescheduled to FY22.

<sup>18</sup> Medium to high-risk suppliers are suppliers who have been identified as having the potential (through the provision of their goods and services) to breach the policies, standards, practices, values and/or readily accepted business activities, as defined for the particular supply of a good or service

# 2021 Modern Slavery Statement

**Education and training:** We will deliver additional modern slavery risk-based training to our senior operations leaders and procurement staff. We seek to ensure that 100% of the Group and site Supply teams have completed their modern slavery training.

**ESG:** We conduct an annual benchmarking exercise to assess our performance against investor Environment, Social and Governance (ESG) expectations. We also actively respond to key Environmental, Social and Governance (ESG) ratings, including the Corporate Sustainability Assessment (assessed by the Dow Jones Sustainability Index), Morgan Stanley Capital International (MSCI), ISS and Sustainalytics. These ratings consider our human rights approach and we continue to be a top performer in our industry globally ('AA' rating with MSCI and inclusion in the Dow Jones Sustainability Index).

**Communication:** Engagement with stakeholders, including suppliers, investors, regulators, customers and industry peers, is a critical component of our Modern Slavery approach. This statement, together with other means of formal and informal communication, including investor roadshows, conferences and the Annual General Meeting, provide a key mechanism for disclosing Evolution's actions in this area. Our website includes a dedicated human rights page outlining our commitment to upholding and respecting human rights as well as specific information on modern slavery.

## Looking Ahead

Through our working group in FY21, we continued to monitor the progress of our modern slavery actions and due diligence processes. We plan to further develop and educate the members of our internal working group. This comprised of representatives from the areas of Commercial, Risk, Audit, Sustainability and People & Culture. This group is pivotal to reinforcing the importance and awareness of the risk of modern slavery in our business, and in responding if any risks are identified.

## Key actions planned in FY22

- Review and improve our due diligence, risk management, training and supplier engagement systems and processes with respect to the modern slavery risks
- Work with the high priority Tier 1 suppliers to improve our understanding of their supply chains
- Commence mapping the next tier of suppliers against geographic, commodity and industry modern slavery risk indicators
- Continue to embed an awareness of the risk of modern slavery with our existing suppliers and new vendors being brought into our business
- Determine a way forward for high-risk supplier audits once the risk of COVID-19 subsides
- Enhance appropriate monitoring and assurance to further assess the effectiveness of the management of modern slavery risks in our supply chain
- Use KPIs to monitor the effectiveness of implemented strategies, with a focus on levels of training and compliance
- Finalise our Sustainable Procurement Framework to ensure the processes and procedures that underpin it are adequate to identify and address all relevant risks, including those relating to modern slavery

Modern Slavery Statement	<b>Version control:</b> 2.0	<b>Issued:</b> 01/12/2021
<b>Review date:</b> 01/12/2022	<b>Owner:</b> Fiona Murfitt VP Sustainability	<b>Approver:</b> Jake Klein Executive Chairman