

THE PERTH MINT

# Voluntary Modern Slavery Statement 2020

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This voluntary Modern Slavery Statement is made on behalf of Gold Corporation group of companies trading as The Perth Mint.



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## Our commitment

The Perth Mint is committed to respecting human rights and opposes slavery in all its forms. We endeavour to operate our business activities in a manner consistent with the United Nations Guiding Principles on Business and Human Rights, and with the Voluntary Principles on Security and Human Rights.

We seek to give all our employees, and those who conduct work on our behalf, the tools and knowledge to identify the risk of modern slavery practices across our business operations and to empower them to take action against it. We expect our customers, suppliers and external stakeholders to be alert to possible involvement in modern slavery, and to work to prevent and address it.

As a Government Trading Enterprise of the Western Australian Government governed by the *Gold Corporation Act 1987*, Gold Corporation and its group of companies trading as the Perth Mint are not reporting entities for the purposes of the *Modern Slavery Act 2018 (Cth)* and are not required to submit a modern slavery statement under that legislation.

However, our strong commitment to our corporate social responsibility and our enduring vision to be the sustainability benchmark for the precious metals industry means we are voluntarily undertaking to make this inaugural modern slavery statement describing the risks of modern slavery within our operations and supply chains as well as the actions we are taking to assess, address and remediate these risks.

We recognise that this is a continuous journey and commit to the ongoing review of our current policies, processes, systems and procedures as well as to working with our suppliers, customers and stakeholders to identify and rectify any gaps in our current business practices that may cause an increased risk of modern slavery practices across our areas of operation.

In preparing this modern slavery statement the Chief Sustainability Officer engaged with relevant officers across all three of the entities within the Gold Corporation Group trading as The Perth Mint in the processes of risk assessment and the development and implementation of relevant risk mitigation actions.

The Perth Mint is committed to respecting human rights and opposes slavery in all its forms.

# Our structure, operations and supply chains

The Perth Mint is Australia's largest, fully integrated precious metals enterprise providing premium gold, silver and platinum products and services to markets throughout the world.

Our business activities span the entire spectrum of the precious metal value chain from refining of precious metals to the delivery of physical products and investment solutions to markets the world over.

We are a precious metals refining, manufacturing, minting, marketing, distribution and storage business. Structured as a vertically integrated entity we operate across the entire precious metals value chain.

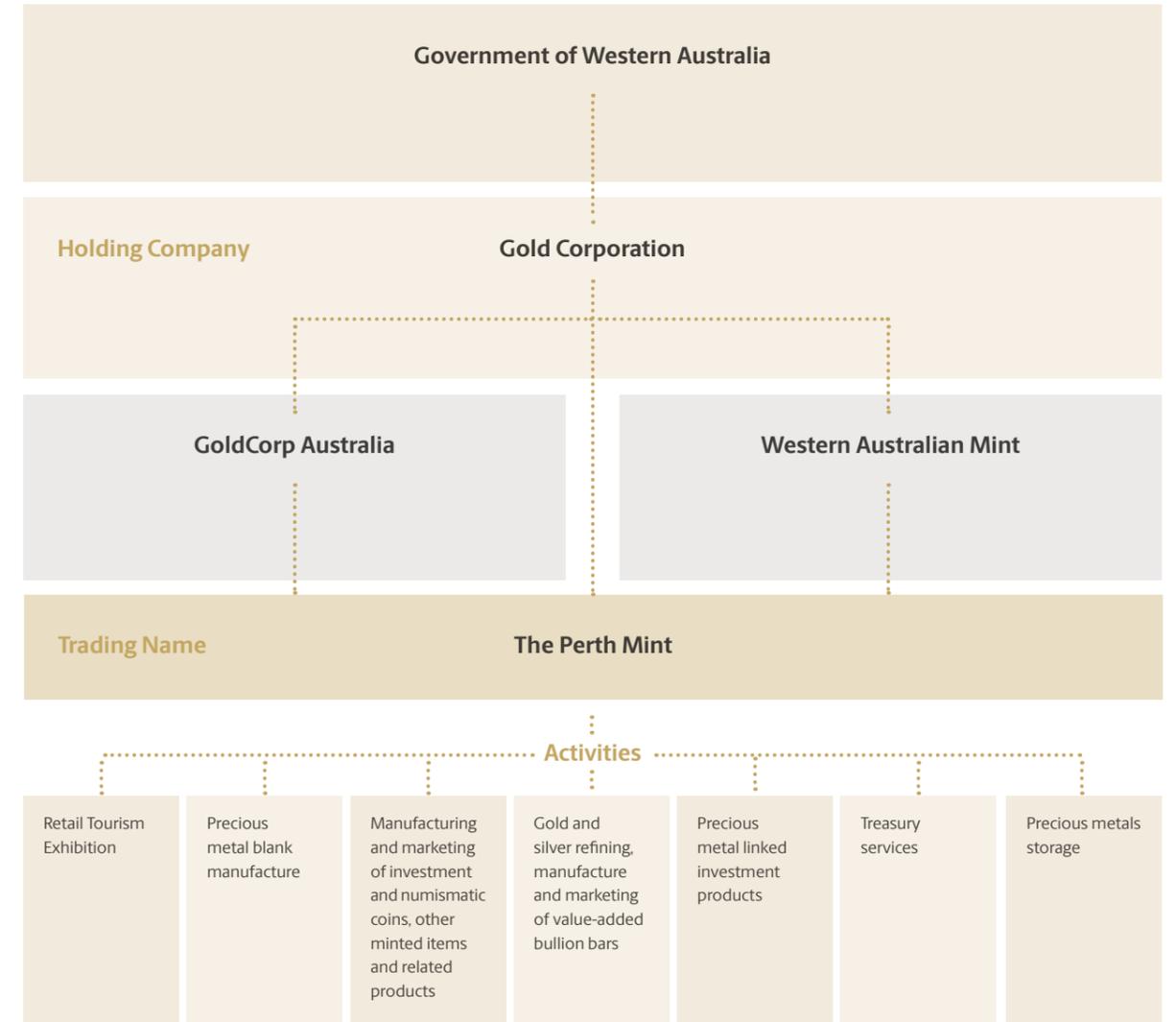
Management responsibility is based on functional and business lines designed to provide a comprehensive and cohesive service to our many customers around the world.

For the purposes of the *Commonwealth Modern Slavery Act, 2018*, Gold Corporation is the reporting entity.



## Our structure

The Perth Mint employs some 500 employees and contractors across our Australian based operations, which comprise our precious metals refinery and mint, depository, treasury, shop and exhibition and supporting corporate functions.





**Our operations**

We refine both newly mined and secondary gold and silver feed from across Australia and beyond. Our precious metals feedstock is sourced from 20+ countries around the globe.

We produce a range of gold and silver investment bullion bars, minted bars and coins for investment and collector markets, supplying to over 130 countries. We also provide precious metals storage and investment programs to over 60,000 customers across these 130 countries.

Our Shop and Exhibition operate a retail and tourism function in Perth that attracts customers both locally and internationally, with close to 60,000 visitors in FY20.

**Our supply chains**

Although over 70% of our gold is sourced domestically in Australia, we do source up to 90 tonnes per year from other countries. 90% of the gold we source is from primary producers in the form of doré or semi-refined bars, we also source up to 30 tonnes per year in the form of accredited scrap metal.

Our silver feedstock is sourced from accredited suppliers from Australia and overseas, both in the form of newly mined metal and secondary metal. Our platinum feedstock is sourced in its fully refined form from accredited overseas suppliers.

In addition to precious metal supply, we also source other goods and services from local and international suppliers. Goods procured include chemical reagents, packaging for our products, other consumable items used in our refining and minting processes, and IT equipment. Services procured include precious metal logistics services, facilities management, insurance products and risk management solutions, corporate services including marketing, and equipment maintenance.

**We produce a range of gold and silver investment bullion bars, minted bars and coins for investment and collector markets, supplying to over 130 countries.**

## Policies and governance

The Perth Mint adopts the *Modern Slavery Act 2018 (Cth)* definition of modern slavery.

Our internal controls include our Code of Conduct, Responsible Metals and Supply Chain Policy and our Human Rights Policy which require employees, directors, officers, and all third parties that conduct business with, or on behalf of The Perth Mint to act with fairness and integrity, observing high standards of personal and business ethics.

The Perth Mint is Australia's only gold and silver refinery, weight master and assayer accredited by all five of the world leading commodity exchanges – the London Bullion Market Association (LBMA), the New York Commodity Exchange (COMEX), the Shanghai Gold Exchange (SGE), the Tokyo Commodity Exchange (TOCOM) and the Dubai Multi Commodities Centre (DMCC). To achieve and maintain these accreditations, The Perth Mint's standards and procedures are continuously tested, reviewed and scrutinised, including audits of our supplier and customer onboarding processes to ensure adherence to the Human Rights standards prescribed by the accrediting organisations.

Our commitment to sourcing socially responsible doré and secondary metal extends beyond these accreditations. Our refinery is also certified under the Conflict-Free Smelter Program and abides by the responsible gold guidelines and standards set by the LBMA and the World Gold Council to maintain industry best practice.



# Modern slavery risk assessment and mitigation activities

Although we strive to eliminate the risks of modern slavery practices across our business and supply chains, the high intrinsic value of our inputs and products, along with the international nature of our operations means there are risks that require ongoing assessment, mitigation and at times risk remediation.

During the FY20 financial year, The Perth Mint engaged a Big 4 accounting firm to assist The Perth Mint in undertaking a risk review across our business, for all entities within our structure. Our precious metals supply chain was also assessed in detail by the LBMA and found to be compliant with the LBMA's Responsible Gold Guidelines (RGG).

The outcomes of these reviews inform the following section.

## Precious metal supply chain risk assessment

The global extraction and trade in precious metals has a high risk of exposure to modern slavery practices. This risk is evident in all areas of the supply chain, from the extraction and mining industries through to downstream value-added product and investment industries. The intrinsic value and fungible nature of precious metals dictates that an enhanced level of due diligence is required to maintain supply chain transparency and integrity, and to ensure the risks of modern slavery practices are guarded against.

## Precious metal mining and extraction processes

Risks: In emerging economies, mining operations tend to rely on large quantities of unskilled labour, which may pose various human rights risks such as a forced labour, bonded labour or debt bondage, child labour, excessive working hours, and deceptive recruitment.

## Precious metal transportation activities

Risks: Metal transportation, particularly in emerging economies can result in modern slavery risks including bonded labour or debt bondage, excessive working hours, and deceptive recruitment.

## Precious metal refining activities

Risks: The secondary precious metals sector including the buying and refining of precious metal scrap, jewellery and other secondary materials can pose modern slavery risks. These risks include providing financial support to modern slavery practices as well as directly incurring forced labour, bonded labour or debt bondage, forced child labour, excessive working hours, and deceptive recruitment, especially when conducted in emerging economies.

## Precious metals investment activities

Risks: Investment in precious metals can present risks for money laundering, terrorism finance, corruption and trade with sanctioned countries and other conflict regions. The risk of modern slavery is considerably higher in conflict countries and therefore precious metals investment activities may finance modern slavery practices such as forced labour, bonded labour or debt bondage, forced child labour, excessive working hours, and deceptive recruitment.

## Non-precious metal supply chain risk assessment

Our non-precious metal supply chain faces many of the same risks as other organisations operating in a global economy. These include:

### Sourcing of non-precious metals goods and materials

Risks: Packaging, process chemicals and reagents, IT hardware and other goods may be sourced from overseas factories where there is a risk of a forced labour, bonded labour or debt bondage, forced child labour, excessive working hours, and deceptive recruitment.

### Supply of services

Risks: Although considered low risk in Australia, there remains some risk that some organisations providing services such as cleaning and facilities management may engage in modern slavery practices including forced labour, bonded labour or debt bondage, excessive working hours and deceptive recruitment.



## Risk mitigation

Our precious and non-precious metal supply chain risks are mitigated by the following:

### Holding our people accountable:

All Perth Mint employees must comply with key internal controls including our Code of Conduct and our Human Rights Policy. All employees involved in the sourcing or sale of precious metals must also comply our Responsible Metals and Supply Chain Policy.

Our employees are provided with the resources to ensure compliance with key policies and procedures. Our employees undertake training as part of their induction process and are required to complete a bi-annual compliance training review which includes modules relating to Human Rights and modern slavery.

We actively encourage all staff and contractors to report any dealings or transactions where they perceive an increased risk of modern slavery practices internally or amongst any counterparties.

Our Whistleblower Policy describes how we protect any of our staff or contractors who speak out about any concerns they have.

Our Human Rights Policy has been reviewed by our external legal advisors and recommendations have been incorporated.

### Holding our suppliers accountable:

We expect our customers and suppliers to adhere to our standards, ethics and values. Our Supplier Code of Conduct includes requirements relating to labour practices and modern slavery. Any counterparties who compromise their commitment to ethical business practices, conflict-free sourcing, and human rights compromise their ongoing business with The Perth Mint.

During FY19/20 we completed an operating model review of our non-precious metals supply chain function and the findings have been implemented or are in the process of being implemented.

This includes the requirement for suppliers to regularly re-affirm their commitment to The Perth Mint's Supplier Code of Conduct, and to provide The Perth Mint with the right to periodically audit suppliers.

### Counterparty due diligence:

All our metal sourcing is underscored by our Responsible Metals and Supply Chain Policy, and all suppliers of precious metals are subject to Know Your Customer (KYC) checks at time of onboarding, as well as ongoing reviews every 6 months for high and medium risk customers, and every 12 months for low risk customers over 5000oz.

In addition, all high-risk customers are subject to a 3<sup>rd</sup> party mine site visit and audit at time of onboarding, and every three years thereafter. Additional reviews may be triggered by adverse media or other events, including Our Responsible Metals and Supply Chain Policy was reviewed by external parties during the FY20/21 financial year. The Policy was strengthened where improvement opportunities were identified.

In 2020 we selected not to commence or continue precious metal supply arrangements with a number of organisations due to concerns relating to Modern Slavery and other Environmental, Social and Governance (ESG) risks in those companies' supply chains.

Customers for our minted products and depository services undergo Know Your Customer (KYC) checks at onboarding and are subject to ongoing review as required by our AML/CTF program.

All suppliers of goods and services not directly related to our precious metal supply chain (reagent and chemical suppliers, packaging, transport, IT hardware etc) are subject to our Supplier Code of Conduct and to Know Your 3<sup>rd</sup> Party (KY3PS) review at time of onboarding.

Our KYC and KY3P procedures are compliant with the Australian Anti-Money Laundering and Counter Terrorism Financing Act 2006 and include identification of conflict affected and high-risk countries that are more likely to see modern slavery practices and other human rights abuse.

Our KYC and KY3P procedures are overseen by our central Risk and Compliance team with customers or suppliers who trigger further review assessed by this team.

Our KYC systems, process and procedures were subject to an audit by a Big 4 Accounting Firm during FY19/20. Whilst this audit was focused on AML / CTF compliance, it did touch on modern slavery and other ESG related risks. A number of improvement opportunities were identified and are being actioned by the Risk and Compliance team in conjunction with the appropriate business areas.

Where we identify any activity that may indicate an increased risk of modern slavery practices, we suspend all activity with the supplier, customer or stakeholder pending review by our Risk and Compliance function. Where necessary, we engage third party assessors to visit the counterparty operations to undertake on ground assessments. Pending outcome of the site visits, where a high-risk operation is identified, The Perth Mint will cease all relationships with the identified counterparty.

Where the assessment process has revealed a risk that is considered medium to high, an increased assessment and review regime is implemented with reduced tolerance for any inconsistencies.

In 2020 we selected not to commence or continue precious metal supply arrangements with a number of organisations due to concerns relating to Modern Slavery and other Environmental, Social and Governance (ESG) risks in those companies' supply chains.

As we continue to develop our due diligence activities and deepen our engagement with suppliers, we will focus on developing remediation approaches for those impacted by modern slavery.

**Monitoring the effectiveness of our actions**

Our learning management system allows us to track the number of employees who have completed their human rights and modern slavery training modules. We will continue to monitor workforce compliance with these compulsory training requirements.

We will also continue to report to our executive team on our precious metal supplier KYC reviews and implement a process of continuous improvement in terms on learnings from these reviews, especially where we identify changes in risk profile of our suppliers.



## Comprehensive due diligence

Our due diligence systems and procedures are compliant with the standards of the Responsible Gold Guidance, the OECD Due Diligences for Responsible Supply Chains of Minerals from Conflict and High-Risk Areas and the relevant local legislations to which we comply.

During the FY20-21 reporting period, The Perth Mint has been reviewed by our external accreditors (LBMA) for compliance with modern slavery guidelines. We have also conducted enhanced internal reviews of our policies, processes and procedures.

Our due diligence activities in this period has included:

- Responsible Metals Audit under the Responsible Gold Guidance (LBMA)
- External review of our precious metals sourcing by a Big 4 accounting firm
- Internal Audit Program, conducted by a Big 4 accounting firm
- Non-precious metals supply chain review, conducted by a Big 4 accounting firm
- Operational Risk Review conducted by a Big 4 accounting firm
- Independent review of our non-precious metal supplier onboarding process by a specialist consulting firm

Where opportunities for improvement were identified as part of these reviews, we moved quickly to implement these recommendations.



## Looking forward

The Perth Mint is committed to preventing modern slavery practices in our supply chain. The recent restructure of our executive team and introduction of a number of new senior roles in our business is reflective of this commitment.

As well as changes in our operations leadership through the appointment of a Chief Operating Officer, we have bolstered our risk and compliance function with the appointment of a dedicated General Manager Risk and Compliance and introduced a Chief Sustainability Officer to drive our vision to be the sustainability benchmark for the precious metals sector.

We engaged a dedicated Responsible Metals Manager across our core operations. This role will be focussed on the review, updating and continuous improvement of relevant policies and practices relating to responsible metals sourcing.

We have commenced the process of selecting a new enterprise wide KYC/KY3P software that will improve accuracy and consistency across our customer, supplier and employee/contractor onboarding processes and assist us to further mitigate the risk of modern slavery in our supply chains.

We will continue to decline any business relationship with any entity that we deem to be unsuitable due to concerns about modern slavery or other ESG risks.

Finally, we will continue review our policies, standards and procedures, seeking to improve our internal controls beyond their current levels and provide dedicated, bi-annual training on the risks of modern slavery with a view to increasing awareness of this key risk throughout the organisation.

**We will continue to decline any business relationship with any entity that we deem to be unsuitable due to concerns about modern slavery or other ESG risks.**

# Approval

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This statement has been approved by the members of the Gold Corporation Board on 22 March 2021.

A handwritten signature in black ink, appearing to read 'Sam Walsh AO', with a long, sweeping underline that extends to the right.

**Sam Walsh AO**  
Chairman