

Boart Longyear Group Limited (ASX: BLY)

2442 South Sheridan Way
Mississauga, Ontario L5J 2M7 Canada



Modern Slavery Statement 2021

Modern Slavery Statement 2021

Who We Are

Boart Longyear Group Limited ARBN 652 848 103 (**Boart Longyear** or **Company**) is an Australian public company (ASX: **BLY**) with its registered business address located at 2442 South Sheridan Way, Mississauga, Ontario L5J 2M7 Canada. Boart Longyear's management is headquartered in Salt Lake City, Utah, USA.

Established in 1890, Boart Longyear is in its 132nd year as the world's leading provider of drilling services, orebody-data-collection technology, and innovative, safe and productivity-driven drilling equipment. With its main focus in mining and exploration activities spanning a wide range of commodities, including copper, gold, nickel, zinc, uranium, and other metals and minerals, the Company also holds a substantial presence in the energy, oil sands exploration, and environmental sectors.

Boart Longyear's Global Drilling Services division operates for a diverse mining customer base with drilling methods including diamond coring exploration, reverse circulation, large diameter rotary, mine dewatering, water supply drilling, pump services, production, and sonic drilling services.

The Geological Data Services division utilises innovative scanning technology and down-hole instrumentation tools to capture detailed geological data from drill core and chip samples. This valuable orebody knowledge gives mining companies the ability to make timely decisions for more efficient mineral exploration activities.

The Global Products division offers sophisticated research and development and holds hundreds of patented designs to manufacture, market, and service reliable drill rigs, innovative drill string products, rugged performance tooling, durable drilling consumables, and quality parts for customers worldwide.

Boart Longyear is the parent entity of the Boart Longyear Group of companies, owning or controlling subsidiary entities located or operating in countries across Asia Pacific, North and South America, Europe and Africa regions, that provide products, services or perform manufacturing as part of Boart Longyear's global operations. A list of the entities that belong to the Boart Longyear Group is available from its 2021 Annual Report at <https://www.boartlongyear.com/company/investors/>. The Boart Longyear Group is managed as a single business with a common set of systems, policies, procedures, and controls including those relating to the identification and mitigation of modern slavery and human trafficking risks.

In 2021, the Boart Longyear Group had a total turnover of around USD \$921M and employed a global workforce of approximately 5,300 workers and its workforce diversity details can be found in its most recent Corporate Governance Statement at pages 10-11 at <https://www.boartlongyear.com/company/corporate-governance/>.

This Modern Slavery Statement (**Statement**) is intended to meet the disclosure requirements of the *Australian Modern Slavery Act 2018* (Cth) and the United Kingdom *Modern Slavery Act 2015* (UK) for the reporting period 1 January 2021 to 31 December 2021. Boart Longyear's board of directors have approved this Statement. This Statement covers all entities within the Boart Longyear Group and each entity is bound by Boart Longyear's relevant policies, procedures and systems as described in this Statement, including those relating to contracting, purchasing and human resources. This Statement was also prepared in consultation with the Company's Australian and UK subsidiaries consistent with the requirements under the Modern Slavery Acts in those countries

Our Operations

Boart Longyear's global operations include:

- Drilling Services, across both exploration and production, including:
 - surface
 - underground (exploration, grade control, longhole production)
 - water well and pump services (environmental and geotechnical services)

- Geological Data Services, including accelerated analysis of detailed geological data through:
 - core scanning
 - chip scanning
 - downhole logging

- Drilling Products, including supply of equipment, servicing and spares for:
 - exploration
 - mine operation
 - non-mining (including sonic and multipurpose equipment)
 - down hole instrumentation

As the nature of the mining landscape is ever changing, so do Boart Longyear's suppliers. Depending on the nature of services and products provided by our suppliers, Boart Longyear may use long term services agreements or more short-term supply agreements. Boart Longyear also contracts with several distributors and agents to assist with the marketing and sale of its products.

Our Supply Chain

Boart Longyear is committed to effectively assessing and addressing modern slavery and human trafficking risks in its supply chain as well as in its own operations.

Boart Longyear has between 5,000-5,400 suppliers globally, located in a variety of countries across Asia Pacific, North and South America, Europe and Africa. Boart Longyear's supplier relationships are managed by its centralised Supply Chain function, with offices and hubs operating in each of the regions where Boart Longyear does business. The Company implements a common approach and set of policies and procedures to vet, contract with, and manage its suppliers globally.

The main goods and services Boart Longyear procures as part of its operations include raw or unfinished materials for the manufacturing of its own products, as well as products used in the supply of drilling services, support services, legal and accounting services, transportation and logistics services, mobile equipment fleet, consumables and services, facilities maintenance, specialist Environmental, Health and Safety services, IT services, and telecoms and communications services.

Supplier Requirements

All vendors are required to comply with Boart Longyear's corporate and supply chain-specific policies as set out on Boart Longyear's website vendor page: <https://www.boartlongyear.com/company/vendor-information/>. Such policies include:

- Code of Conduct
- Environmental, Health & Safety
- Human Rights
- Anti-Money Laundering
- Anti-Bribery and Corruption
- Workforce Diversity
- Procurement Practices
- Competition and Anti-Trust
- Global Sanctions and Export Controls
- Gifts and Entertainment

As of late 2021, all new suppliers must agree to comply with Boart Longyear's Code of Conduct which includes its Human Rights policy. In addition, new suppliers of services in high risk categories (eg, logistics, accounting/finance) and all new suppliers located in regions identified as having higher human rights and other compliance risks (including Indonesia, Africa and China) must agree to Boart Longyear's Anti-Bribery and Human Rights Warranty Obligations, which can be viewed at <https://www.boartlongyear.com/wp-content/uploads/Anti-Bribery-and-Modern-Slavery-Agreement-clean-14th-Oct.pdf>.

All such new suppliers who are regarded as potential high risk are also required to complete Boart Longyear's 3rd Party Questionnaire which can be viewed at https://www.boartlongyear.com/wp-content/uploads/BLY-3rd-party-questionnaire_English-3-February-2020.pdf. The questionnaire specifically addresses risks and issues relating to modern slavery and human rights concerns as well as bribery and corruption risks. Completed questionnaires are reviewed by the company's Supply Chain personnel as well as its Legal department.

Modern Slavery Risks

1. Services and Products Sourced within High-Risk Countries

During 2021, Boart Longyear continued its review and analysis of its operations and supply chains. As a result of the continued review, Boart Longyear identified that its operations in the following countries are exposed to enhanced levels of modern slavery risks, primarily because of the prevalence of modern slavery risks in these areas:

- Eritrea
- Democratic Republic of Congo
- Russian Federation
- Indonesia

In Eritrea, Boart Longyear purchases specialist support services from vendors for telecoms, insurance, legal, office premises and supplies and logistics. During 2022, Boart Longyear intends to exit Eritrea and therefore does not anticipate to require services from vendors in Eritrea.

In the Democratic Republic of Congo, Boart Longyear purchases some supplies for its drilling services and products businesses in the region, as well as purchasing specialist support services from third parties, including taxation services, labour hire services, logistics services, facility maintenance, legal services, financial services, insurance, travel and expense management.

Suppliers used in the Russian Federation are very limited and include providers of legal services, financial audit services, travel and expenses.

In Indonesia, Boart Longyear purchases some supplies for its local drilling services business, and also purchases specialist support services from third parties including taxation services, logistics services, legal services, facilities maintenance, financial services, travel and expenses, insurance, EH&S, IT services, consulting services and communication services.

Boart Longyear seeks to manage the risks of modern slavery to which its business is exposed in the above and other countries where it operates through its stringent vendor and supplier requirements as set forth above under "Our Supply Chain", and the additional mitigations and measures described below under "Our Approach to Modern Slavery". In 2021, the Company amended its new vendor application forms to include an agreement for each new vendor to abide by Boart Longyear's Code of Conduct.

2. Employee Wages and Entitlements

Boart Longyear works to ensure that it meets all minimum requirements for employee and worker wages and entitlements, wherever it operates, through its global Human Resources team. As expressed in its Code of Business Conduct, Boart Longyear also supports the principles of freedom of association and the right to participate in unionised and other forms of collective bargaining. The Regional HR Director for each of EMEA, APAC, LAM and NAM annually note the minimum wage and employee entitlements for each of their region's countries to confirm Boart Longyear's compliance with same.

Our Approach to Modern Slavery

1. Due diligence program

In late 2019, Boart Longyear commenced a modern slavery due diligence program to assist it in identifying and addressing modern slavery risks in its operations and supply chains. As part of this program, with a

view to gathering increased information from its suppliers about modern slavery risks and exposures, Boart Longyear amended its Third Party Questionnaire by including additional questions relating to risks and mitigation against modern slavery. A cross section of example questions include:

- *What policies and procedures does your company have in place to identify and address risks of modern slavery and human trafficking within its operations and supply chain?*
- *Does your company require your suppliers to accept and comply with your guidelines and policies?*
- *Have you or your company previously been accused of or investigated for any violation of modern slavery or human trafficking laws?*
- *Has your company ever been audited (including by an auditor appointed by a third party) for compliance with human rights, modern slavery and human trafficking laws?*
- *Does your company have a process for workers and agents to report, without fear of retaliation, matters related to slavery, human trafficking or other human rights violations?*
- *Does your company have any workers that:*
 - are children;*
 - are remunerated in any way other than the payment of money directly to that worker;*
 - live at the workplace or on property owned by the company;*
 - are not paid for the work they carry out;*
 - are working to repay a debt to a third party or the company?*

Boart Longyear also updated its Supplier warranties which its service providers are required to sign containing specific undertakings and obligations relating to modern slavery risks, including:

- complying with Boart Longyear's Code of Business Conduct and applicable human rights laws (specifically at page 18 of https://www.boartlongyear.com/wp-content/uploads/1_BOART-COC_English2019.pdf);
- taking reasonable steps to assess and address modern slavery risks in their operations and supply chains;
- notifying Boart Longyear of any specific instances of modern slavery identified in their operations or supply chains – details of who to notify are located at pages 44-45 of Boart Longyear's Code of Business Conduct, https://www.boartlongyear.com/wp-content/uploads/1_BOART-COC_English2019.pdf.

Boart Longyear also updated its various third party contracts to include corresponding warranties and obligations, as well as enabling it to summarily terminate any contracts for any violations.

2. Boart Longyear Policies

Boart Longyear's policies which address human rights and modern slavery risks include its:

1. Code of Conduct (at page 18 of https://www.boartlongyear.com/wp-content/uploads/1_BOART-COC_English2019.pdf);
2. Procurement Practices Policy (at page 9 of <https://www.boartlongyear.com/wp-content/uploads/Procurement-Practices-Policy-Update-2018.pdf>);
3. Workforce Diversity Policy (<https://www.boartlongyear.com/wp-content/uploads/HRM-0020-Boart-Longyear-Workforce-Diversity-Policy.pdf>); and
4. Retaliation and Whistleblower Policy (<https://www.boartlongyear.com/wp-content/uploads/Retaliation-and-Whistleblower-Policy-1.pdf>).

Under Boart Longyear's Procurement Practices Policy, suppliers are required to:

- maintain policies that respect basic human rights without distinction on any basis, including rights to life, liberty and security of person, freedom from slavery and cruelty and equal protection under relevant laws;
- maintain policies that prohibit employment of forced, bonded or child labour; and
- be committed to non-discrimination policies on grounds of age, ethnic or social origin, gender, sexual orientation, politics and religion.

All of Boart Longyear's full time or part time field employees, office employees, supervisors, executives and directors, as well as vendors and suppliers, service providers, consultants and other third parties are required, as a condition of employment or engagement, to comply with Boart Longyear's Code of Conduct

and other applicable company policies. The Code of Business Conduct specifically requires observance of laws relating to human rights, including wherever Boart Longyear operates, people are to have:

- the freedom to choose whether or not to work;
- fair and legal pay;
- safe working conditions;
- legal and reasonable hours; and
- freedom of association or collective bargaining

During 2022, Boart Longyear intends to update a number of its policies and procedures, and intends to create new stand-alone policies, such as its Human Rights Policy.

Boart Longyear encourages a 'speak up' culture, and Boart Longyear Compliance Helpline posters are posted at every work site and throughout each global facility. Under Boart Longyear's corporate policies, if anyone suspects any human rights violations (or any other compliance violations), they are required to report their concern immediately to the Boart Longyear Compliance Helpline (<https://www.boartlongyear.com/company/corporate-governance/#ComplianceHelpline>). The Helpline is operated by a third party provider and Boart Longyear's Retaliation and Whistleblower Policy outlines the mechanisms available for reporting and the investigation and communication process that will be followed. This policy also provides protection for employees, suppliers and other third parties who do speak up, with reports able to be made anonymously and other protections available to whistleblowers.

In 2021, we had a total of 65 reports submitted to our Compliance Helpline. Of those reports, 26 were partially or fully substantiated and 39 were unsubstantiated or unable to be substantiated (eg, due to lack of actionable details). There were no reports or allegations of matters relating to modern slavery or human trafficking risks made. 27 of the reports related to HR concerns such as harassment, bullying or other working conditions; 13 reports related to safety concerns including COVID; and 13 reports related to theft or similar types of issues.

In 2021 we retained external consultants to complete an extensive assessment of our compliance program (including the helpline reporting and investigations procedures). They reviewed our policies and procedures and conducted multiple interviews with members of management and operations as part of their process. Our consultants also provided recommendations for compliance program improvement. During 2022, we expect to continue that process with additional external counsel and will implement improvements including those relating to Human Rights, modern slavery and human trafficking.

3. Boart Longyear Training

All new employees receive on-line Code of Conduct training and certification at the commencement of their employment, which includes training on the Human Rights sections of the Code of Conduct. Thereafter, Code of Conduct training occurs every year and in our FY 2021, 1015 employees completed our annual Code of Conduct training or refresher.

Commencing in 2020, Boart Longyear instituted tailored modern slavery and human rights training for all employees which continues on a 3-year cycle. The training focuses on what constitutes modern slavery and Boart Longyear's responsibilities under the Modern Slavery Acts. All Boart Longyear on-line training includes a compulsory quiz for completion and certification.

In addition to on-line training, Boart Longyear's legal and internal audit teams provide in-person (or Zoom) training sessions in all of its regions (LAM, APAC, EMEA, and NAM) on compliance with the Code of Conduct, specific provisions including Human Rights and the Compliance Helpline procedures.

4. Contractual Right to Terminate for any Violation of Human Rights

Boart Longyear's own contract templates with its suppliers provide for the right of termination in the event Boart Longyear concludes in its sole discretion that the other contracting party has breached (or that a breach is likely to occur) any representation, warranty or undertaking relating to compliance with Human Rights issues including, but not limited to, modern slavery laws.

Reviewing our systems and goals for next year

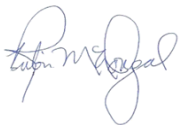
As part of its commitment to affectively assess and address modern slavery risks in its supply chain and operations through FY 2022, Boart Longyear will be taking a number of steps to seek to improve its processes for the monitoring and mitigation of human rights, modern slavery and other compliance risks, including those set out herein.

During 2022, we intend to simplify the reporting process for those who would like to make a report using our Compliance Helpline by upgrading the landing page for better accessibility on mobile apps, and incorporating QR codes in posters for easier access to online reporting. We also expect to revise and update our investigations protocol and conduct training for investigators. We will be implementing monthly reporting processes for our HR and Legal departments to better capture reports made in person (rather than solely on the Compliance Helpline).

The Company also intends to periodically audit its vendors and suppliers to ensure compliance with all of Boart Longyear's policies and Code of Conduct. We are currently reviewing external providers who provide these services.

Approval

Approved by the Board of Directors of Boart Longyear Group Limited on 31 July 2022 (Mountain Time).

A handwritten signature in blue ink, appearing to read "Rubin McDougal". The signature is fluid and cursive, with the first name "Rubin" and last name "McDougal" clearly legible.

Rubin McDougal
Chair, Boart Longyear Group Limited