

Shen YaoSUSTAINABILITYHoldingsREPORTLimited2021

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For FY2021, we focused our efforts on occupational health and safety as well as on environmental protection. The Report will also share information on the Group's governance structure, stakeholder relationships and material issue identification process.





This sustainability report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, W Capital Markets Pte. Ltd. (the **"Sponsor**").

This sustainability report has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this sustainability report including the correctness of any of the statements or opinions made or reports contained in this sustainability report.

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CEO AND BOARD STATEMENT

Message from Executive Chairman and Group Chief Executive Officer



ON BEHALF OF THE BOARD OF DIRECTORS (THE "**BOARD**"), **I AM PLEASED TO PRESENT THE COMPANY'S SUSTAINABILITY REPORT** FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 ("**FY2021**").





The impact of the COVID-19 pandemic is both deep and widespread, affecting many countries and industries around the globe. At Shen Yao, we are focused on protecting our employees, contractors, customers, investors and supporting the communities in which we operate. During the COVID-19 pandemic, in demonstrating our solidarity and work with the relevant authorities in controlling the spread of COVID-19, we established a dedicated team to ensure adherence with the relevant COVID-19 regulations and guidelines implemented by the authorities as well as to oversee the health and safety of our employees and contractors. The Group has been vigilantly complying with the directives of the government in the relevant jurisdictions in which it operates.

We continue to conduct our businesses responsibly and to integrate sustainability into our operations to achieve the best possible outcomes for all our stakeholders. We value diversity and inclusion and bring together people from around the globe. We are working towards making Shen Yao an employer of choice and building an organization with a culture that focuses on the well-being of employees and also one that fosters personal growth, collaboration and open communication. We actively engage with our stakeholders, including customers, investors, communities and regulators, to foster mutual understanding and trust.

In FY2021, the Group continues to adopt the Global Reporting Initiative ("**GRI**") reporting framework in our sustainability reporting. Meanwhile, we commit our support to the UN 2030 agenda-17 Sustainable Development Goals (SDGs) as part of our commitment towards making continued progress on our sustainable development journey.

Whether we are facing a COVID-19 pandemic outbreak or recovering sustainably and resiliently from a COVID-19 pandemic, we are with our stakeholders and communities through thick and thin.

Thank you for these efforts, and I look forward to achieving success together as we continue to develop our sustainability efforts.

Yao Liang

Executive Chairman and Group Chief Executive Officer

SUSTAINABLE DEVELOPMENT POLICY

Golden Point Group believes the success of our operations is inextricably linked with the concerns and aspirations of the people affected by them. Our social licence to operate comes from our host communities, wider society, our employees, business partners, suppliers, shareholders and customers. We must institutionalise and demonstrate respect for our people and the communities in which we operate, leading to financial results that will allow us to grow.

We recognise that to achieve our vision of People Results Growth and deliver value for the benefit of all our stakeholders, we must adopt the principles of sustainable development into the core of our business.

Accordingly, our commitment to sustainable development is to operate within a strategic framework based on the International Council on Mining Metals (ICMM) Sustainable Development Principles.

The principles are:

- 1. Implement and maintain ethical business practices and sound systems of corporate governance.
- 2. Integrate sustainable development considerations within the corporate decision-making process.
- 3. Uphold fundamental human rights and respect cultures, customs and values in dealings with employees and others who are affected by our activities.
- 4. Implement risk management strategies based on valid data and sound science.
- 5. Seek continual improvement of our health and safety performance.
- 6. Seek continual improvement of our environmental performance.
- 7. Contribute to conservation of biodiversity and integrated approaches to land use planning.
- 8. Facilitate and encourage responsible product design, use, re-use, recycling and disposal of our products.
- 9. Contribute to the social, economic and institutional development of the communities in which we operate.
- 10. Implement effective and transparent engagement, communication and independently verified reporting arrangements with our stakeholders.

These principles embody our commitment to manage social, health, safety, environmental and economic issues in order to deliver sustainable shareholder value, to improve our performance in managing these issues and to publicly report our progress.

General Manager

Golden Point Group Pty Ltd

INTRODUCTION

SUSTAINABILITY IS A CORE VALUE BASED ON THE FOLLOWING PRINCIPLES:

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Implementation of employeecentered approach towards health and well-being;

0

Implementation and maintenance of ethical business practices and sound systems of corporate governance;

0

Integration of sustainable development considerations into decision-making process;

0

Upholding of fundamental human rights and to respect cultures, customs and values in dealings with employees and others who are affected by our activities;

0

Continually improve our health & safety, environmental and community relations efforts; and

0

Implementation and maintenance of effective and transparent engagements, communication and reporting arrangements with our stakeholders.

By doing so, we will then be able to create value for all stakeholders and leave a legacy that we are proud of.

ABOUT THIS REPORT

Shen Yao Holdings Limited ("**Shen Yao**" or the "**Company**" and, together with its subsidiaries, the "**Group**") is proud to present its annual Sustainability Report for FY2021.

Sustainability is a part of the Group's wider strategy to create long-term value for all its stakeholders. The Company recognizes the importance of economic, environmental, social and governance ("**EESG**") considerations in creating value for our business and our stakeholders. We adopt the principles of sustainability throughout our value chain and continue to build sustainable practices in every aspect of the Group's business in achieving high levels of integrity and excellence in its activities. The Board oversees the management and monitoring of these factors and takes them into consideration in the determination of the Group's strategic direction and policies.

FOR FY2021, WE FOCUSED OUR EFFORTS ON OCCUPATIONAL HEALTH AND SAFETY AS WELL AS ON ENVIRONMENTAL PROTECTION. THE REPORT WILL ALSO SHARE INFORMATION ON THE GROUP'S GOVERNANCE STRUCTURE, STAKEHOLDER RELATIONSHIPS AND MATERIAL ISSUE IDENTIFICATION PROCESS.

The report shall be read together with the Shen Yao FY2021 Annual Report.

REPORTING FRAMEWORK

The Report is prepared with reference to the Global Reporting Initiative (GRI) Standards and is aligned with the reporting requirements of Singapore Exchange (SGX) Catalist Rules 711A and 711B.

We have chosen GRI as the sustainability reporting framework as it is internationally recognised and is widely adopted, enabling us to achieve a comprehensive and comparable disclosure of environmental, social and governance performance.

REPORTING SCOPE AND PERIOD

This report covers the Group's sustainability performance for FY2021, disclosing the sustainability practices and performance of the Group from 1 July 2020 to 30 June 2021.

The last report was issued in October 2020.

REPORT ACCESSIBILITY

In order to reduce our environmental footprint, we will not provide hard copies of this report.

The Report will be publicly accessible through the Company's website as well on SGXNET.

FEEDBACK

Feedback from the Company's stakeholders is imperative to our Group's continued improvement and growth.

Please let us have your views and suggestions by contacting us at: <u>ir@shenyaoholdings.com</u>.

INDEPENDENT ASSURANCE

The data and information provided have not been verified by an independent third party. We have relied on internal data monitoring and verification to ensure accuracy of data and information.

The Company has chosen to leverage internal verification mechanisms to ensure data quality and accuracy within this report. Hence, there is no independent external assurance for this report.



CORPORATE STRUCTURE



CORPORATE STRUCTURE

OPERATIONS/ACTIVITIES

Shen Yao, through its wholly-owned subsidiary Golden Point Group Pty Ltd ("**GPG**" and formerly known as "**Castlemaine Goldfields Pty Ltd**"), operates a well-established gold mine at Ballarat in Australia's premier Victoria gold belt and owns several tenements around the Ballarat Gold Mine and in nearby goldfields. The tenements are 100% owned by subsidiary Balmaine Gold Pty Ltd, which cover the major, historical, hard rock mining prospects of the Ballarat East, Ballarat South, Ballarat West and Nerrina goldfields.



	FY2021	FY2020
Ounces produced	35,190	42,697

9 Temasek Boulevard, #24-01 Suntec Tower 2, Singapore 038989



Golden Point Group Pty Ltd 10 Woolshed Gully Drive, Mt. Clear, Victoria 3350, Australia

GOVERNANCE STRUCTURE

The Board provides entrepreneurial leadership, oversees the business affairs and dealings of the Group, determines and sets the Group's corporate strategies and objectives, and ensures that the necessary financial and human resources are in place for the Company to meet its objectives.

It also monitors and evaluates the Group's operations and financial performance, establishes targets for the management of the Company and monitors the achievement of these targets.

The Board has overall responsibility for establishing and maintaining a framework of good corporate governance in the Group, including the risk management systems and internal control to safeguard shareholders' interests and the Group's assets. The Board has three committees to assist it in the execution of its responsibilities, namely the Audit Committee, the Nominating Committee and the Remuneration Committee. Each Committee has its own terms of reference and operating procedures, which are reviewed periodically. Members of Board and each of the Audit Committee, the Nominating Committee and the Remuneration Committee are set out below.

NAME	BOARD OF DIRECTORS	AUDIT COMMITTEE	NOMINATING COMMITTEE	REMUNERATION COMMITTEE
Yao Liang	Executive Director and Group Executive Chairman, Group Chief Executive Officer	N/A	N/A	N/A
Yao Yilun	Non-Executive, Non-Independent Director	N/A	N/A	N/A
Sun Shu	Non-Executive, Lead Independent Director	Member	Member	Chairman
Shu Zhan	Non-Executive, Independent Director	Member	Chairman	Member
Pang Kee Chai	Non-Executive, Independent Director	Chairman	Member	Member

Under the direction and supervision of the Board, GPG has a team in Ballarat that oversees the day-to-day affairs of the mining and exploration operations of the Group. The team comprises the General Manager and senior members of the Exploration, Geology, Mining, Processing, Health & Safety, Environment & Community, Corporate Services and Finance departments. These individuals are key contributors to the development of this Sustainability Report.



STAKEHOLDER RELATIONSHIP AND MATERIAL FACTORS IDENTIFICATION

Shen Yao engaged Virtus Assure Pte. Ltd. to work with the Company to develop a questionnaire to identify the EESG factors that the Company considers important to its stakeholders, the details of which are set out on page 10 of this report.

GPG has regular and ongoing interactions with various stakeholder groups, and the nature of such engagement varies for different groups.

These stakeholders include external and internal parties. External stakeholders include individuals or entities such as shareholders of Shen Yao, goods and services providers, government regulators and neighbouring communities in the vicinity in which GPG operates. Internal stakeholders include all staff and major contract staff of GPG.

A wide range of potential EESG factors were selected to ensure that the candidate EESG factors presented to stakeholders are representative of the Company's performance in the wider context of sustainability.

The following table sets out the key interactions and purpose of such interactions with the various stakeholder groups.

STAKEHOLDER GROUP	ENGAGEMENT APPROACH	KEY INTERESTS
Employees and Managers	 Regular dialogue Training program Work related meetings and discussions Online survey 	 Work environment Staff benefits Development of technical skills
Local Communities	 Regular dialogue Feedback sessions Social & community events Online survey 	Create a positive impact on local community
Government Regulators	Site visit & workshopsFormal meetingsDialogue sessionsOnline survey	Compliance with rules and regulations
Goods and Services Providers	 Phone calls Email contacts Formal & informal meetings Online survey 	 Ensure quality of products and services Goods and services provided on time Better risk management Adequate corporate governance
Shareholders	 Shareholders annual general meeting Quarterly announcements of financial results 	Financial performance

To identify the stakeholders that needed to be engaged to determine the EESG factors to be reported upon, consideration was given to parties that could be expected to be extensively affected by Shen Yao's activities or could affect the Company's ability to carry out its business. Taking into consideration the key interests of our stakeholders as well as feedback from stakeholders, the Board decided to include the following material issues in forming the Group's long-term strategy on sustainability engagement.

STAKEHOLDER RELATIONSHIP AND MATERIAL FACTORS IDENTIFICATION

MATERIAL FACTORS	STAKEHOLDER GROUP	TARGET	RELEVANT SDGS*
People Work Environment Staff benefit Skill development Health, Safety and Environment	Employees	We are an employer of choice committed to diversity and inclusion. It is vital that workplaces become environments where people can feel comfortable being themselves and sharing value together.	3 GOD HEALTH AND WELL-BEING 5 EQUALITY 5 EQUALITY 5 EQUALITY 6 8 ECCINIMORY AND 8 ECCINIMORY AND 6 ECCINIMORY AND 6 ECCINIMORY AND
Community Positive impact on local communities & Community Relationship	Community	We strive to help the communities in which we operate in thrive, grow and prosper. We build meaningful relationships, invest time and energy to ensure that our local communities are enriched by being our neighbours.	11 SUSTAINABLE CITIES COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Government Compliance with rules and regulations	Government	At Shen Yao, non-compliance with all applicable rules and regulations is not an option. Our goal is zero violations of all applicable regulations or laws and zero enforcement actions.	8 ECONOMIC GROWTH ECONOMIC GROWTH 12 RESPONSELE CONSIMPTION AND PRODUCTION
Environment Protection	Community, Employees	Zero harm is always our target. Zero harm to all people as we responsibly operate our assets to their full potential. This is our key guiding principle in every aspect of our operation.	12 RESPONSIVE CONSUMPTION AD PRODUCTION 13 CLIMATE
Client Goods and service providers	Clients and services providers	Ensure accountability to clients and service providers.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Economic Financial Performance	Shareholders	Growing our business sustainably and to add value to our shareholders, our employees and our communities.	8 DECENT WORK AND ECONOMIC GROWTH

*SDGs Sustainable Development Goals

SUPPLY CHAIN

The mining industry is well established in Australia and there is an extensive support network of suppliers that cater to the needs of the industry.

GPG and its operating subsidiary, Balmaine Gold Pty Ltd, have entered into supply contracts with a wide range of suppliers to provide utilities, services and consumables.

Items such as explosives, ground support consumables, fuel, mechanical supplies, electricity and gas and other goods and services used in the mining operations are supplied to us under long term contracts. Appropriate commercial contract review and tender processes are followed to ensure that the best value for money is obtained and that products and services that are fit for purpose are sourced with reliable supply arrangements.

The London-based Risk Advisory Group published their Corruption Challenges Index 2020 in March 2020. The index lists Denmark as the jurisdiction least challenged by corruption in the world, closely followed by New Zealand, Australia, United Kingdom, Finland and Singapore. While all the necessary security measures are taken to prevent fraud and error, our operations in Australia are not unduly challenged by corruption.

During the financial year, GPG dealt with 598 (FY2020: 626) suppliers with the top ten accounting for 46% (FY2020: 52%) of total expenditure. GPG has a policy to support local suppliers in the Ballarat region or the state of Victoria where possible, although some of the specialist materials and services are sourced from the traditional mining states of Western Australia and Queensland as they are not available within the state of Victoria. GPG's total expenditure for FY2021 amounted to approximately A\$67 million (FY2020: A\$82 million) of which A\$30 million (FY2020: A\$29 million) was expended on labour and the remaining A\$37 million (FY2020: A\$53 million) was spent on goods and services. GPG contributes approximately A\$50 million (FY2020: A\$62 million) annually to the economy of the state of Victoria in the form of salaries and goods and services.

Australia has extensive and rigorous industrial and health and safety laws to ensure that individual suppliers maintain appropriate practices to safeguard workers. These laws and policies cover the occupational health and well-being of not only the employees of GPG, but also the individuals working across GPG's supply chain.

During the reporting period there has been no significant changes to operations of GPG or its supply chain. Operations have continued as in the past and while the Company operates in a dynamic business environment and may have moved from one supplier to another for strategic or economic reasons, such changes have not been significant.

Gold ore produced by the site is forwarded to an Australian refiner for smelting and further refinement in accordance with the London Bullion Market Association standards and Australian Law. The refined gold bullion is then purchased by the Australian refiner for their use locally and internationally.

SUPPLY CHAIN

STA	\GE	ACTIVITIES	STAKEHOLDERS
	Exploration	Our exploration geologists continually search for and discover new sources of minerals using robust models with the objective of developing mining operations that can be performed in a safe and sustainable manner.	Employees Goods and Services Providers
	Planning	Before we commence mining operations, our geologists and technical teams work together using modern mine planning systems to design the most efficient, cost-effective and environmentally friendly plan for operating the mine.	Employees Goods and Services Providers
	Mining	Safety comes first in all aspects of our operations. We strive for zero harm. We plan extensively throughout the life cycle of the mine and beyond. We are also mindful about operating in a manner that minimizes the amount of waste generated and the impact on the environment and to the community in which we operate.	Employees Goods and Services Providers Government Regulators Community
	Processing	By processing, converting and refining the raw materials, products are produced based on customers' requirements. We are mindful about operating in a manner that minimizes the amount of waste generated and the impact on the environment and to the community in which we operate.	Employees Goods and Services Providers Government Regulators
	Delivery	After processing, the product will be transported to the location as specified by our customers.	Employees
ALL LAND	Rehabilitation	We plan extensively throughout the life cycle of the mine and beyond. Rehabilitation plans which are aimed at restoring the immediate surroundings damaged as a result of mining activities, are frequently being reviewed and updated.	Community Government Regulators

RESPONSE TO COVID-19



Australia's state, territory, and national resources ministers have identified that the mining industry along with construction industry are both key economic drivers in ensuring the Australian economy successfully transitions out of the pandemic. COVID-19 has again had a major impact on GPG's operations throughout the reporting period. Our priorities have been:

- Protecting the health and safety of our employees and contractors, which is a fundamental shared value for GPG.
- Supporting long-term domestic economic recovery by helping our community recover and rebuild for a better future.

GPG has implemented a wide range of measures to reduce the risk of COVID-19 among our workforce and local communities as well as to keep our operations running. GPG continues to work closely with the Minerals Council of Australia ("**MCA**"), Victoria's Work Health and Safety regulator, and other Victorian mine sites, contractors and suppliers to ensure that all government directives and MCA protocols have been implemented.

Measures and controls that are being applied in GPG include:

- Temperature screening & verbal health declarations on arrival.
- Increase in number of handwashing & sanitising stations.
- Safe distancing on site and during team meetings.
- The mandatory wearing of face masks.
- Separation of teams.
- Cancellation of non-essential visits to site.
- Advisory signages and staff information sessions.
- Allowing support staff to work from home if possible.
- Continued mental health support.
- Removal of communal items from kitchens.
- Introduction of extra cleaning including use of virucidal disinfectant.
- Additional awareness sessions held for all employees.
- Facilitating telecommuting.
- Providing face masks.
- Direction on how many people is allowed in each room.
- Ensuring there is 1.5 metres distance between the seating in the muster room.
- Provision of an EAP (employee assistance program where staff can talk to a qualified Counsellor).
- Health and wellbeing seminars as required.

GPG continues to navigate its way through the pandemic successfully, even as periodic lockdowns and restrictions are enforced upon our operations due to community transmission being identified within the state of Victoria. Despite this, GPG has continued its efforts in engaging with its stakeholders, which has been made possible with the use of technology, allowing GPG to communicate meaningfully with key stakeholders and the wider community by way of the following means:

GPG continues to offer a text message service to those community members wishing to be notified prior to GPG conducting stope blasts. The enhanced website also allows GPG to provide the latest blast vibration information for concerned residents.

Unfortunately, due to the continued lockdowns, several educational student visits to the mine site had to be cancelled. In past years, these education visits by various student bodies have formed a key component of the Group's engagement strategy with the wider community. However, it is safe to assume that as Australia charts its way out of the pandemic in line with higher vaccination uptake rates, these events will eventually resume.

Although it has been another tough year for many companies in the state of Victoria, the Ballarat Gold Mine has been fortunate enough to be able to maintain our production and mining capacity, and along with this we have been looking to support the locals in the community by maintaining our employee numbers at around 220 as well as to continue working with over 100 contractors that all work on site. In the last year, apprentices were also placed following a partnership between the Ballarat Gold Mine and Ballarat Group Training, an entity that offers nationally recognised training as well as employment and assistance programs throughout the Greater Ballarat region.

During the year, GPG, in conjunction with the Ballarat Tram Way Museum, formed an agreement to donate labour for their offsite storage facility that was being built in-between one of the Victorian Government prescribed lockdowns. This is one example of GPG's contribution to the wider Ballarat community.



In the last year, GPG continued to expand its apprenticeship program, encouraging locals who share the same passion and values to consider Ballarat Gold Mine as a starting point for their careers. In addition, we are continually trying to recruit skilled labour. However, GPG still

- Bi-annual community newsletter.
- Quarterly Environment Review Committee (the "ERC") meetings conducted online during lockdowns.
- Responses to community groups requesting education about the mine being sent electronically.
- Enhanced interactive website that provides community education material and important community announcements where applicable.

struggles with a shortage of qualified manpower on site partially because of continuation of COVID-19 related measures including interstate travel restrictions.

We are working with our customers to better understand the impact to their business and adapting our practices where possible. We are also working with our suppliers to ensure supply chain continuity. With lockdowns in place across Australia and the world, we have been forced to seek out alternative supplies and has experienced longer lead time from order to delivery due to the evolving COVID-19 pandemic.

The Company will be updating shareholders by way of announcements as and when the need arises. We continue to review and refine appropriate risk mitigation strategies. We will also continue to work with the government to do what we can to ensure our operations contribute positively to society at this challenging time.



MATERIAL FACTORS





RELEVANT SDGs



We are committed to operating our business in a safe and responsible manner to prevent occupational injuries and illness to all our employees, contractors and the community we interact with.

Occupational Health & Safety has been treated with the utmost importance since the inception of our mining and exploration activities.

The Company recognises that our safety record has an impact on our social standing and acceptance in the community and on the decisions of both our internal and external stakeholders. Moreover, safety regulations governing our operations and our commitment to remain compliant with such regulations ensure that high standards of safety are achieved, and our workers' well-being is catered for

The Topic Boundary for this important EESG factor is the workplace of all GPG employees. This is primarily within the perimeter of the Ballarat Gold Mine but also covers the regional exploration work sites.

The Company has taken a number of steps to ensure that Occupational Health & Safety is managed proactively and consistently with diligence and commitment by everybody at all levels of the organisation. The Occupational Health & Safety Policy shown below is a cornerstone of the Board and Senior Management's approach to safety.



OCCUPATIONAL HEALTH & SAFETY POLICY











At Golden Point Group Pty Ltd we are committed to operating our business in a safe and responsible manner so as to prevent occupational injury and illness to our employees, our contractors and our community.

It is our objective to provide a safe work environment in which people are encouraged to identify hazards and reduce risks by considering safety in everything we do, focusing on improving safe work practices and knowing we will be held accountable for complying with the company's requirements.

To achieve this we will:

- Ensure safety is a core value and a major priority, not to be compromised
- Promote a safe work culture that requires visible leadership, and where all employees and contractors take responsibility for their own safety and that of their fellow workers.
- Ensure Occupational Health and Safety is an integral part of all decision making processes throughout the business.
- Provide appropriate resources (people, equipment and time) to identify hazards and to reduce risk and to improve safety systems and behaviours.
- Recognise that everyone's involvement in health and safety is essential and that we need to maintain a consultative and open approach to safety on our sites.
- Provide appropriate induction, training and supervision to actively motivate our people to work in a safe and responsible manner.
- Continually strive to identify and control hazards and ensure safety focus, priorities and actions are appropriate to the level of risk involved.
- Include mandatory occupational health and safety requirements in all position descriptions an contracts and hold people accountable for compliance.
- Ensure that the organization adheres with all relevant safety legislation, regulations and standards.
- Measure and monitor the effectiveness of safety performance and the Health & Safety Management System by setting strategies, measurable objectives and targets to enable regular management review and to ensure continued improvement in the reduction of work-related injury and illness.
- Strive for continuous improvement through auditing, investigations and monitoring and ensure our Health & Safety management System continues to support our needs as the organization grows.

Henry Wang General Manager Golden Point Group Pty Ltd

The GPG Health & Safety Management System, depicted in the diagram below, is the central framework to achieving the above policy objectives.

Health & Safety Management System is divided into 15 elements.

The elements are further separated into 4 categories:

- 1. Commit
- 2. Plan
- 3. Do
- 4. Check & Act



The intent behind and the performance requirements of each element provide goals that should be achieved for the system to work effectively in the present and to also achieve continuous improvement for the future. The management team sets targets for achievements annually which include lead and lag indicators.

Lead indicators are measurements of the extent that actions that are intended to pre-emptively manage hazards and prevent incidents and injuries are actually completed. Examples are number of audits completed, number of safety meetings held, safety training completed, safety assessments completed etc.. Lag indicators include total recordable injuries, number of hazards identified in incident investigations that were not identified in the safety assessments, number of safety incidents and injury frequency rates. Overall, our target for the next year is to continue to proactively manage Occupational Health & Safety risks to reduce the number and severity of work-related injuries and ill health.

The operation of the Health & Safety Management System and ancillary activities are described in more detail below.

Occupational Health & Safety Management System

An Occupational Health & Management System has been implemented and provides a framework for the continual improvement of health and safety measures and processes for all employees, contractors and visitors across all GPG operations and activities.



GPG is committed to ensuring that its Health & Safety Management System:

- Improves overall health and safety performance,
- Is appropriate for GPG operations,
- Integrates with other systems and core processes,
- Enables GPG to meet its legal obligations, and
- Meets the requirements of the GPG Occupational Health & Safety Policy.

The GPG Health & Safety Management System has been implemented to adhere to the requirements of the Victorian Occupational Health & Safety Act 2004 and Regulations 2017 (the "**Regulations**").

Crucially, Part 5.3 of the Regulations requires the operator of a prescribed mine to establish and implement a safety management system which provides a comprehensive and integrated management system for all risk control measures and is used as the primary means of ensuring the safe operation of the mine.

Scheduled audits of the GPG Health & Safety Management System are completed by an independent organisation to comply with the Regulations, which require the operator of a prescribed mine to review and, if necessary, revise the safety management system at least once every three years.

Elements of the GPG Health & Safety Management System are audited by the Victorian Health & Safety Regulator (the "**Regulator**") as part of the annual Major Mine Hazard Verification Audit. The scope of the audit and the elements assessed vary from year to year. The 2021 Verification Audit was conducted in February 2021 with a focus on Ground Failure, Fire Underground and Vehicles.

The GPG Health & Safety Management System has been developed and implemented based on the guidelines published in the following Australian/New Zealand Standards:

- AS/NZS 4804:2001 Occupational health and safety management systems – General guidelines on principles, systems and supporting techniques
- AS/NSZ 4801:2001 Occupational health and safety management systems – Specifications and guidance

Hazard Identification, Risk Assessment and Incident Investigation —

Hazard and Risk Management is an integral part of the GPG Health & Safety Management System. Proactively identifying and mitigating potential risks and hazards is an effective way to ensure a safe workplace.



All employees, contractors and visitors are encouraged to actively identify hazards and reduce risks associated with all GPG activities without fear of victimisation or reprisals.

Site personnel are instructed in the use of GPG Hazard and Risk Management tools upon induction and during periodic refresher training and are encouraged to stop and seek assistance if a task cannot be completed safely.

Hazards are routinely identified through a range of activities such as major mine hazard safety assessments, workplace inspections, environmental monitoring of the workplace, audits, risk assessments, job safety analysis, management of change workshops, and site safety meetings.

Identified hazards are recorded and ranked according to risk potential using GPG Hazard report forms and the GPG Risk Assessment Matrix. Corrective actions are then assigned to each hazard utilising the Hierarchy of Controls to reduce the hazard as far as is reasonably practicable where the risks cannot be eliminated.

When unfortunate incidents resulting in injury, damage or loss occur, they are investigated using the Incident Cause Analysis Method. The basic cause and contributing factors are identified and, where appropriate, corrective actions are assigned to prevent recurrence. Identified hazards, reported incidents and allocated corrective actions are recorded into the site safety database (the "**INX-InControl**") and tracked through to completion. In FY2O21, GPG implemented INX-InControl, a cloud-based Health & Safety software solution for the reporting, tracking and closeout of hazards, incidents and corrective actions. The INX-InControl software enables real time reporting of hazards and incidents and with the incorporation of tablet technology, removes the administrative burden of the paper-based system.

Hazards, incidents, and corrective actions are routinely discussed as an agenda item during site safety meetings and reported in weekly and monthly reports. Such reports are circulated internally to relevant individuals or department heads so as to keep them apprised of such matters and to allow for them to follow up on any action items if any.

Escalation workflows exist within INX-InControl to ensure the timely closeout of all actions raised from hazards, incidents, inspections and audits.

Occupational Health Services ——

GPG is committed to operating in a safe and responsible manner so as to prevent occupational injury and illness.



Medical and health assessments are conducted before and during employment to ensure employees are fit to perform the inherent requirements of their role and to monitor workplace related health effects.

Workers' personal health related information remains strictly confidential and is secured both digitally and physically on site with restricted access.

Ergonomic assessments of workstations and tasks are undertaken as required and, where appropriate, adjustments are made to reduce the likelihood of injury or aggravation.

GPG conducts scheduled health monitoring for known occupational health risks including exposure to silica, diesel particulate matter, lead, mercury and arsenic. Health monitoring results are provided to all personnel via letters, site notice boards and reports. In addition to national exposure standards published by Safe Work Australia, the statutory agency established to improve work health and safety in Australia, GPG has established action levels for health hazards, i.e. when an exposure approaches a specified level below the exposure standard, action will be taken to reduce exposure through the application of risk control measures.

GPG offers all employees free access to a weekly onsite soft tissue clinic for the treatment of work-related and non-work-related injuries or physical complaints. A registered medical practitioner attends the on-site clinic and is available to employees during work hours. Where appointments relating to work-related injuries cannot be scheduled at the on-site soft tissue centre, appointments are arranged during work hours for employees at an external registered health clinic. Employees consent to allow the provider to discuss relevant health information and other personal information concerning identified health conditions or injuries with relevant and authorised site personnel such as their manager or Health & Safety personnel. Personal health related information is retained offsite by the external providers and provided to Health & Safety personnel where appropriate to aid with rehabilitation and recovery.

Fit for Role assessments are scheduled for employees whose medical examinations indicate a decline in their fitness for role. Assessments are conducted by an external health & wellbeing consultant and participants were provided with advice regarding blood glucose, cholesterol, blood pressure and body mass index. An individual plan was developed for each participant to assist in improving their fitness for role.

GPG provides surface-based employees with free annual skin cancer checks run by an external medical practitioner. Results are strictly confidential and are shared only with the employee and their general practitioner. The checks were last provided in December 2020.

Flu vaccinations are provided to GPG employees and long-term contractor employees as part of the COVID-19 preventative controls on site.



Worker participation, consultation and Communication on Occupational Health & Safety

GPG strives to maintain effective consultation and communication between all levels of the organisational structure in a manner that ensures that employees and contractors feel empowered to participate in maintaining a healthy, safe and enjoyable workplace with a positive culture.

Consultation and communication on health & safety matters take place via several formal forums including safety meetings, pre-shift meetings, management of change workshops, notice boards, health and wellbeing presentations and through employee participation in risk assessments, procedure reviews, incident investigations and workplace inspections.

Employees and contractors are involved in the development, implementation and review of processes used for hazard identification, hazard/risk assessment and control of hazards/risks. Safe work practices and procedures are developed in conjunction with the personnel required to use them.

Worker consultation and communication has been further enhanced with the implementation of a site Health & Safety Representatives (the "**HSR**") program. HSRs are elected by their peers and utilised on-site to conduct safety meetings and participate in procedure reviews, risk assessments, workplace inspections and other site health & safety functions. All elected representatives attend a five-day regulator-approved training course and undergo annual refresher training.

Worker Training on Occupational Health & Safety

Ensuring that all employees, contractors and visitors are appropriately trained and competent in performing their relevant duties is a fundamental component of the GPG Health & Safety Management System.

Each role within GPG is assessed for the necessary competencies and skills, utilising formal competency-based assessment.

Training is delivered by trained and competent personnel and, where applicable, contains both theory and practical components to assess competency.

Customised induction programmes which commensurate with the level of risk involved in a particular employment role are prepared and conducted upon commencement of employment with GPG. The same applies to contractors and visitors to GPG sites. Inductions cover relevant health & safety risks, hazards, controls, behaviours, company objectives, policy, systems and procedures. GPG utilises INX – InTuition to ensure that competency assessments and training records are maintained and ongoing, and that periodic refresher training is provided.

Where major mine hazard safety assessments identify competency levels as a critical control, competency assurance forms part of the overall critical control assurance & verification process.

All training and competency assessments are carried out by persons with appropriate knowledge, skills and experience. All records of training, qualifications and competencies are maintained with confidentiality.

GPG implemented INX-InTuition, a cloud-based training and competency software solution in September 2020. INX-InTuition streamlines spreadsheet and paper-based systems and allows for real time reporting and analysis of on-site training programs.

Promotion of Worker Health —

GPG offers all employees and their immediate family members access to the Employee Assistance Program (the "**EAP**").



In addition to mental health counselling services, the EAP provides assistance to employees for a range of topics including nutrition, sleep, resilience, mindfulness and addictive behaviours.

The EAP is a free and confidential service facilitated by an external provider via face-to-face meetings or telehealth calls. The services offered as part of the EAP are promoted regularly in inductions, site safety meetings, health and wellbeing sessions and via site notice boards. All services are strictly confidential with all workers' personal health related information retained offsite by the external providers.

Monthly health and wellbeing topics are presented to GPG employees and contractors by the Health, Safety and Wellbeing Coordinator. Topics presented include mental health awareness, sleeping tips, coping with fatigue, stress & recovery and nutrition.

GPG employees and contractors participate in daily pre-shift injury prevention exercises. The exercises are prescribed by a qualified group exercise trainer and are updated on a monthly basis. Exercises focus on strengthening and conditioning key areas of the body with the aim of reducing injuries.

A mental health education program was presented to all site employees by an external mental health consultant. The aim of the program is to reduce stigma associated with mental health conditions and to empower site personnel to actively seek help when needed. GPG has an on-site fitness centre with exercise equipment designed to promote the health benefits of daily exercise. The fitness centre is available for use by GPG employees before, during and after work. An expansion of the fitness centre has been planned for fiscal year 2022 to allow for weight training in conjunction with cardio training.

A fit for role program has been introduced to address the declining physical fitness for role in identified employees. Periodical medical assessments are undertaken for individuals in high injury risk roles to identify those who need to improve their physical condition. The employee is then assessed by an occupational rehabilitation provider and a personalised program is developed to assist the employee in reducing his/her injury risk profile.

Work-related Injuries

A summary of work-related injuries sustained in FY2021 compared to FY2020 is provided below.

WORK-RELATED INJURIES – EMPLOYEES	TOTAL HOUP	RS WORKED	NUMB OCCURF		RA (PER 1,000, WOR	000 HOURS
	FY2020 ⁽³⁾	FY2021	FY2020 ⁽³⁾	FY2021	FY2020 ⁽³⁾	FY2021
Fatalities as a result of work-related injury			0	0	0	0
High-consequence work-related injuries (excluding fatalities) ⁽¹⁾	409,804	552,445	0	0	0	0
Recordable work-related injuries (including high-consequence work-related injuries) ⁽²⁾			15	6	37	11

Notes:

(1) "High-consequence work-related injuries" include injuries from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.

- (2) "Recordable work-related injuries" include medical treatment beyond first aid, restricted work or days away from work.
- (3) Data for FY2020 covers a 15-month period from 1 April 2019 to June 2020 due to a change in the Company's financial year end from 31 March to 30 June.



Through our ongoing efforts in continuous training and process improvement, we did not record any highconsequence work-related injuries or fatalities in FY2021. We will continue this process while working to translate commitment into better day-to-day safety practices. As compared to FY2020, the number of recordable workrelated injuries (excluding fatalities) decreased by 9, despite a considerable increase in total hours worked in FY2021. We have a perpetual target of zero cases of work-related injuries and fatalities and is committed to working towards achieving this target.

The various initiative of injury prevention on-site, including Training and Education, Soft Tissue Clinic and external Health and Well-being providers has contributed to the decrease in the injury frequency rate. Proper safeguards are put in place to prevent inappropriate access and use of any machinery or equipment which could result in the occurrence of any potential injury. The effectiveness of these programmes is being closely monitored and will be assessed on an ongoing basis.

RECORDABLE WORK-RELATED INJURIES - EMPLOYEES - FY2020 ⁽¹⁾						
Type of Work-related injury	Number of occurrences	Hazard	Mechanism of injury			
Eye Injury	1	Physical	Foreign body in eye			
Fracture	2	Physical	Struck by object			
Hernia	2	Physical	Manual Handling			
Laceration	2	Physical	Struck by object			
Laceration	1	Physical	Contact with sharp object			
Sprain	1	Physical	Trip & fall			
Strain	2	Physical	Manual Handling			
Strain	1	Physical	Struck by object			
Strain	3	Physical	Awkward movement			

Notes:

(1) Data for FY2020 covers a 15-month period from 1 April 2019 to June 2020 due to a change in the Company's financial year end from 31 March to 30 June.

RECORDABLE WORK-RELATED INJURIES - EMPLOYEES - FY2021						
Type of Work-related injury	Number of occurrences	Hazard	Mechanism of injury			
Strain	2	Physical	Awkward movement			
Strain	1	Physical	Stuck by object			
Sprain	1	Physical	Awkward movement			
Sprain	1	Physical	Slip, trip, fall			
Eye injury	1	Chemical	Exposure to chemical			

WORK-RELATED INJURIES - CONTRACTORS	TOTAL HOUP	RS WORKED	NUMB OCCURF		RA (PER 1,000, WOR	000 HOURS
	FY2020 ⁽³⁾	FY2021	FY2020 ⁽³⁾	FY2021	FY2020 ⁽³⁾	FY2021
Fatalities as a result of work-related injury			0	0	0	0
High-consequence work-related injuries (excluding fatalities) ⁽¹⁾	138,045	143,760	0	0	0	0
Recordable work-related injuries (including high-consequence work-related injuries) ⁽²⁾			7	2	51	14

Notes:

(1) "High-consequence work-related injuries" include injuries from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.

(2) "Recordable work-related injuries" include medical treatment beyond first aid, restricted work or days away from work.

(3) Data for FY2020 covers a 15-month period from 1 April 2019 to June 2020 due to a change in the Company's financial year end from 31 March to 30 June.

RECORDABLE WORK-RELATED INJURIES - CONTRACTORS - FY2021⁽¹⁾

Type of Work-related injury	Number of occurrences	Hazard	Mechanism of injury
Fracture	2	Physical	Struck by object
Laceration	1	Physical	Contact with sharp object
Sprain	1	Physical	Manual Handling
Strain	3	Physical	Manual Handling

Notes:

(1) Data for FY2020 covers a 15-month period from 1 April 2019 to June 2020 due to a change in the Company's financial year end from 31 March to 30 June.

RECORDABLE WORK-RELATED INJURIES - CONTRACTORS - FY2021						
Type of Work-related injury	Number of occurrences	Hazard	Mechanism of injury			
Strain	1	Physical	Awkward movement			
Laceration	1	Physical	Struck by object			

At GPG, the same set of protocols are employed in ensuring the safety and well-being of all our staff and contractors.

Compared to FY2020, the number of recordable work-related injuries (for contractors) (including high-consequence work-related injuries) decreased substantially to 2, despite a considerable increase in total hours worked in FY2021. We have a perpetual target of zero cases of work-related injuries (for contractors) (including high-consequence work-related injuries) and are committed to working towards achieving this target.

Work-related III Health

A summary of work-related illnesses sustained in FY2021 compared to FY2020 is provided below.

WORK-RELATED ILL HEALTH (1) - EMPLOYEES	NUMBER OF OCCURRENCES		
WORK-RELATED ILL HEALTH ** - EMPLOYEES	FY2020 ⁽²⁾	FY2021	
Fatalities as a result of work-related ill health	0	0	
Cases of recordable work-related ill health	0	0	

WORK-RELATED ILL HEALTH (1) - CONTRACTORS	NUMBER OF OCCURRENCES		
WORK-RELATED ILL HEALTH @ - CONTRACTORS	FY2020 ⁽²⁾	FY2021	
Fatalities as a result of work-related ill health	0	0	
Cases of recordable work-related ill health	0	0	

Notes:

(1) GPG operates in a jurisdiction in which the workers' compensation system classifies musculoskeletal disorders as injuries; as such, these disorders have been reported as work-related injuries.

(2) Data for FY2020 covers a 15-month period from 1 April 2019 to June 2020 due to a change in the Company's financial year end from 31 March to 30 June.

We have a perpetual target of zero work-related ill health cases and are committed to working towards achieving this target.



MATERIAL FACTORS



RELEVANT SDGs



The mining industry in Australia is extensively regulated and there are numerous local, State and Federal legislation that govern mining and associated activities.

In addition, GPG also needs to comply with the conditions of its approved mining plan and the terms and provisions attached to our various mining and exploration tenements.

The main sources of legislation that govern our activities in respect of the Compliance with Licence Conditions and Community Relations ESG factors is the Mineral Resources (Sustainable Development) (the "**MRSD**") Act 1990 and MRSD Regulations 2013.

On 30 March 2020, the Victorian Environment Protection Authority (the **"EPA**") released a draft guidance on the scope and purpose of new operating licences and for the licence holders, addressing the new general environmental duty (the **"GED**"). The Environment Protection Act 2017 came into effect on 1 July 2021. It gives the EPA more powers and tools to prevent risks to the environment and human health. They also allow the EPA to issue stronger sanctions to hold polluters to account.

The GED is a centerpiece of the new laws. It requires all Victorians to manage risks to human health and the environment that are created as a result of their actions. Everyone must take steps to prevent or minimise those risks. For businesses, this includes correctly managing waste or storing chemicals safely. For individuals, this includes ensuring waste from renovations are properly disposed of or that household chemical are not released into stormwater drains.

In addition to ensuring that all aspects of its operations are undertaken in accordance with all relevant legal and regulatory requirements, GPG also makes a conscious effort to develop and manage community relations.

The EESG factors relating to Compliance to License Conditions and Community Relations are closely related and are proactively managed together using an Environmental Management System pursuant to the Environmental Management Plan.

There have been zero non-compliances and one minor (Category 5) incident recorded during the reporting period. During the year, the Company did not incur any fines or non-monetary sanctions for non-compliance with laws and/or regulations. We have a perpetual target of zero cases of incidents and non-compliance with laws and/ or regulations and are committed to working towards achieving this target.

GPG is committed to obtaining certification for the Ballarat Gold Mine's Environmental Management Plan under the industry standard framework for environmental management - ISO14001. This will provide assurance to GPG's management, employees, as well as external stakeholders that environmental impacts are being effectively measured and addressed.

RISK ISSUE	CONTROLS	MONITORING AND REPORTING
Noise	Restricted work times for tasks that do not meet strict noise criteria, design and procurement of equipment, licence conditions	There are seven monitoring locations. Any exceedance of stipulated limits or non-compliance is reported to the relevant authority, the ERC and included in annual reporting.
Air Quality	Water cart, polymer application on service road, sprinklers, vehicle speed restrictions, processing plant is primarily a wet circuit, licence conditions	There are seven permanent monitoring stations. Any exceedance of stipulated limits or non-compliance is reported to the relevant authority, the ERC and included in annual reporting.
Vibration	Restricted firing times, design criteria for production firings, use of electronic detonators for control of frequencies, licence conditions	Up to five vibration monitors are installed within close proximity to each firing. Any exceedance of stipulated limits or non-compliance is reported to the relevant authority, the ERC and included in annual reporting.
Surface Water	Extensive surface water storage dams and wetlands, defined work areas, spill controls, zero discharge from processing water circuit, licence conditions.	Collection of a range of surface water quality data from in-site daily tests to National Association of Testing Authorities- accredited samples for licence compliance reporting. Any exceedance of stipulated limits or non-compliance is reported to the relevant authority, the ERC and included in annual reporting.
Ground Water	Defined work areas, spill controls, Tailings Storage Facility is lined with >0.6m clay liner to protect groundwater from contamination.	There are eight groundwater bores that are regularly monitored for levels and quality. Any exceedance of stipulated limits or non-compliance is reported to the relevant authority, the ERC and included in annual reporting.
Traffic Management	A single point of entry, signage, all purchase orders stipulate directions and curfew restrictions.	Results and exceedances of the limits are reported to the regulatory authorities, the ERC and included in annual reporting.

RISK ISSUE	CONTROLS	MONITORING AND REPORTING
Flora & Fauna	Defined work areas, spill controls, Tailings Storage Facility is lined with >0.6m clay liner to protect groundwater from contamination.	Annual revegetation and weed programs are monitored for success and reported to regulatory authorities and the ERC.
Land Management	Minimise soil disturbance and undertake progressive rehabilitation of disturbed areas. Stockpiles of soil managed to minimise erosion, spread of weed and soil biota to ensure successful rehabilitation. Fuel loads are managed to reduce spread of fire on and off site.	Audits undertaken during and post soil disturbing construction. Annual inspections of fuel loads with external agents.
Chemical and Hazardous Material	Minimise the type and quantity of chemicals stored on site. Ensure all chemicals are stored and disposed of appropriately.	Various inspections and audits completed depending on the product. Any loss of primary containment is reported through the site incident database and to the relevant regulatory authorities and the ERC.
Waste	Implement the waste hierarchy, which encourages waste avoidance and reduction followed by reuse, recycling and reclamation before waste treatment and disposal. This control philosophy applies from smaller items of packaging to the much larger items of waste rock and tailings.	Audits and inspections of waste streams. Monthly reporting of waste streams to the ERC and various regulatory authorities on an annual basis.
Heritage	Avoid impact to Aboriginal and European sites by undertaking database searches and site inspections during planning stages of work likely to impact heritage sites.	Regular inspections during works, report any discovery or disturbance to appropriate authorities.
Visual Impact	Maintain or incorporate visual buffers, minimise emission of light, reduce heights of stockpiles, minimise dust generated. Maintain landscaped and open grassed areas.	Audit and monitor levels of community complaints as a result of visual impacts. All complaints are reported to ERC and included in annual reporting.

GPG has implemented the following policies regarding the environment.

Golden Point Group Pty Ltd is committed to providing responsible stewardship of the natural resources over which we have control or influence. We intend to apply this stewardship through:

• Ensuring our staff and contractors incorporate consideration of, and respect for, the environment in planning and operational decisions

• Observing all environmental laws and regulations as required to fulfil our commitment to a sustainable future

Providing adequate resources to manage our environmental impacts

• Promoting environmental awareness and communication between our employees, contractors and the community

- Continually improving our environmental performance by:
 - Reducing the effect of emissions
 - Improving energy efficiency
 - · Wisely consuming natural resources such as water
 - · Focus on economic recycling wherever possible
 - · Rehabilitating the environment affected by our activities
- Monitoring, auditing and reporting on our environmental performance.

Hemry (Hen) General Manager

Golden Point Group Pty Ltd

GPG has an extensive monitoring network for the various environmental and community risks identified above. We continue wherever reasonably practicable to allay community concerns and ensure our "social and environmental impact" is as low as possible.

GPG has an extensive monitoring program producing data sets for both online weather and water monitoring at five-minute intervals as well as annual usage of energy. We ensure that scarce resources are utilized in an environmentally and efficient manner.

Pursuant to licence conditions, environmental monitoring results are reported quarterly to the ERC and annually to the EPA, the National Pollution Inventory and the Department of Jobs, Precincts and Regions – Earth Resources Regulation. GPG maintains a close working relationship with all statutory authorities to ensure we remain compliant and uphold our social contract.

GPG's established procedures and regular monitoring and reporting of environment and community matters, as elaborated above, are an effective way of measuring and determining the efficacy of the controls being implemented. Should a control be identified as being ineffective, GPG will then launch an investigation to identify the issues and implement corrective actions so as to ensure that the site's standards and licence conditions are maintained. The Topic Boundary for these important ESG factors extends beyond the operation's border fence to the neighbours and locations where the effects of the Company's activities are evident.

Operations with Significant Actual and Potential Negative Impacts on Local Communities



In addition to the overarching Community Policy, the three key goals and objectives for this community engagement plan are:

- 1. To continually improve community relationships through positive and constructive consultation.
- 2. To share information with the community about activities undertaken by the operation that might affect the community.
- 3. To allow the community to express their views on such activities.

Impact from COVID-19

The COVID-19 pandemic continues to affect our community, with continued lockdowns and restrictions, disrupting communication with our neighbours and community. We have however conducted several letterdrops providing updates in relation to our activities, and resumed face-to-face meetings in-between prescribed lockdowns. It was particularly exciting to be able to conduct two of the last three quarterly ERC on site at the Ballarat Gold Mine. We also provided the option of online participation to cater to members of the community who were unable to be physically present.

We continue to update our website <u>https://ballaratgoldmine.com.au/</u>, which is an essential portal for communicating with the community through:

- The feedback form on the Contact Us page
- Dedicated pages to new projects
- An eNews option for communication with a campaign to get concerned community to register for this via the link on the Contact Us page.

65% of the interactions with community residents for the reporting period were regarding vibration and noise

relating to underground firings (i.e. explosives detonated underground to break rock for tunnelling and production purposes). A further 18% of community connection focused on positive engagement and education for various key stakeholders.

Vibration levels are measured as peak particle velocity (the "**PPV**") which is a measurement of maximum ground particle speed.

GPG has been operating well within the two statutory limits which stipulates that 95% of all blasts must be less than 5 mm per second and never above 10 mm per second.

All blasts continue to be monitored and during the year GPG undertook an upgrade of some vibration monitoring equipment to further enhance control and monitoring in this particular aspect. There was also a greater emphasis placed on working with blast design engineers throughout the year to reduce the residual effects of blasting as much as is practicable for those living above the mine.

The table below sets out the recorded vibration levels compared against the statutory limits.





A solar powered, telemetric vibration monitor installed in May 2021. It allows the Environmental and Communication team to rapidly collect data and respond to feedback from blasts in the community. Examples of how GPG engaged with the community includes, but not limited to:

- Letter-drops for specific projects.
- Proactive phone calls and face-toface meetings when requested.
- Contributions to charitable organizations.
- Third party blasting reports and information sent to interested community members.
- On-site tours (suspended throughout 2020 and 2021 due to the COVID-19 pandemic).

COMMUNITY INTERACTIONS TABLE

The table illustrates the breakdown of the Community Interactions for FY2020 and 2021

FY2020	GPG PRO-ACTIVE	NEIGHBOUR FEEDBACK/ENQUIRY	COMPLAINT	TOTAL INTERACTIONS
Vibration/Noise	37	43	136	216
Dust	0	1	0	1
Amenity	2	11	4	17
Traffic	0	0	0	0
Other	27	8	0	35
Total	66	63	140	269

FY2021	GPG PRO-ACTIVE	NEIGHBOUR FEEDBACK/ENQUIRY	COMPLAINT	TOTAL INTERACTIONS
Vibration/Noise	45	41	225	311
Dust	0	0	0	0
Amenity	0	1	0	1
Traffic	0	0	0	0
Other	14	5	2	21
Total	59	47	227	333



GPG has developed risk-based management plans (in relation to dust emission, noise pollution, vibration, waste-water, water pollution, erosion of sediments, ground disturbance, fire, release of hydrocarbon from waste oil or diesel spill, security breach etc.) which evaluates the identified risks and outline mitigation actions, steps taken to reduce the risk, enabling better compliance management and timely and informed decision-making.

All complaints are promptly investigated, and measures are taken to manage the effects that gave rise to the complaints. Employees working in the Environmental and Community team work closely with geologists and blast engineers to share information and develop solutions to minimize the impact of blasting on residents living above the mine site.

Vibration and noise associated with blasting activity was again the prevailing concern for neighbours with 85% of all contacts and 93% of complaints relating to GPG's blasting activities. Other complaints related to noise resonating from around the waste rock dump and mill, long grass, fire prevention, weed control, tree management and rubbish dumping over vacant land. Any blasts which exceed the internal limits is fully investigated and notification is provided to the staff responsible for preparing the blast. All complaints and feedback continue to be welcomed, recorded and investigated, and a response was issued when required.

In response to vibration related community feedback, GPG continues to undertake vibration monitoring at residents' properties, and provide information about blast vibration and license limits. The SMS alert system introduced last year has been a success. We are also now able to provide information relating the location of the blast (which mining compartment the blast will take place in). Several visits to residents' homes were conducted during the period, to both educate and listen to residents' concerns.

In response to the increase in community complaints relating to blast vibration, we have modified our mining methods to reduce vibration levels, including but not limited to, using low-density explosives, smaller multiple firings rather than one large firing and altering the duration and pace of the firings. Mining method modifications continue to be explored, and GPG have consulted with external organizations to ensure current industry best practices are employed.

GPG continues to restrict production blasting times to weekday daylight hours between 09:00 and 17:00. GPG has also developed internal procedures and increased blasting training to ensure that the quality of the blast design and setup meets established guidelines. Furthermore, GPG has implemented a quality assurance system that continuously measures and reviews drilling, charging and firing practices to ensure optimal blasting results.

The target for environmental performance and compliance with licence conditions is to review and adopt, where practicable, industry best practices for new technology and methods of work to ensure statutory limits continue to be met. Beyond simply complying with these limits, GPG is committed to reducing waste and the effects of emissions, improve efficiency of natural resources usage such as energy and water, and to undertake rehabilitation of the environment affected by our activities.

GPG continues to strive towards improving our community relations to maintain the social license to operate. Community feedback is a critical measure of our performance and forms an integral part of our review and monitoring of our operations.

PEOPLE



MATERIAL FACTORS



Fair Employment

Skill Development

Diversity and Equal Opportunity

RELEVANT SDGs



Shen Yao firmly embraces a diverse and multi-skilled workforce. The Group's performance is enhanced through recognising and utilising these diverse skills, attributes and talent of our people. Diversity is celebrated at Shen Yao and we employ people of all ages, gender, ethnicity and cultural backgrounds. Shen Yao values the differences between people and believes these differences create a strong multi-talented organisation. Shen Yao firmly believes that all people should be treated with fairness and respect. Employees are always recruited, developed and promoted based on merit and performance.

Our employees are our most important asset and integral to the smooth operation of our business. As the Company continues to evolve, it is critical that we have a healthy and engaged workforce to expand and sustain our operations. Shen Yao endeavours to be a preferred employer of choice and seeks to provide an inclusive and entrepreneurial environment in which people can thrive and contribute meaningfully to organisational goal congruence.

Shen Yao firmly believes that the future organisational leaders will be developed from within our diverse workforce, and therefore it is pertinent that Shen Yao continues to invest in our people and provide opportunities for career advancement where possible. As at 30 June 2021, the Group has 231 employees, 13 based in Singapore and 218 involved with mining and exploration operations in Victoria, Australia.

EMPLOYEES	Ν	IALE	FE	MALE	T	DTAL
	FY2020	FY2021	FY2020	FY2021	FY2020	FY2021
PERMANENT						
Singapore	3	5	8	8	11	13
Australia	171	197	18	21	189	218
Total	174	202	26	29	200	231
FULL-TIME						
Singapore	3	5	8	8	11	13
Australia	165	196	11	14	176	210
Total	168	201	19	22	187	223
PART-TIME/CAS	SUAL					
Singapore	-	-	-	-	-	-
Australia	6	1	7	7	13	8
Total	6	1	7	7	13	8

As at 30 June 2021, 74% of GPG employees were covered by an Enterprise Agreement and the remaining 26% have individual employment contracts.

GPG employed 100 contractors as at 30 June 2021. There are three main groups of contractors: 25 were engaged to carry out underground exploration drilling, 10 provided production drilling services and some ground support installation services with the remainder being involved in a variety of tasks comprising maintenance works in the mine.

Due to the Victorian Government's intermittent lockdowns caused by the current pandemic, GPG has faced a shortage of professional skilled employees. This situation is likely to prevail until vaccination uptake rate increases within Australia. GPG is also planning the introduction of a high-performance leadership development program to further drive ongoing sustainable performance within the organisation. This will help to empower its workforce to embrace innovation and new technologies to ensure that GPG is at the forefront of driving change in the mining industry.

COMMUNITY AND CORPORATE SOCIAL RESPONSIBILITY

The Company has implemented the following policies regarding the community/corporate social responsibility.

MATERIAL FACTORS

Positive impact on local communities & Community Relationship

RELEVANT SDGs



COMMUNITY POLICY

As GPG is a part of the community, we commit to contributing positively to environmental, social and economic development, based on a foundation of mutual understanding and respect.

To achieve this, we will:

- · Communicate in an open and transparent manner
- Respect and consider differing opinions
- Respect diversity and protect cultural heritage

As our activities progress, we will continue to operate in consultation with host communities, government authorities, other organisations by:

- Encouraging and supporting community development
- Encouraging and supporting initiatives to enhance social benefits such as environment, health and education
- · Identifying and facilitating opportunities for employment, training and business relationships both directly and through our contractors and suppliers.

We monitor, continuously improve and publicly report our activities and performance.

Heory General Manager

Golden Point Group Pty Ltd

COMMUNITY AND CORPORATE SOCIAL RESPONSIBILITY

GPG is constantly seeking opportunities to give back to the community beyond the economic benefits generated from operations. As such, GPG also contributes to the community through education projects or charitable donations. One of our employees with the Napoleons Landcare Group, a recipient of the "Good Neighbor Program", an initiative that granted several benevolent organizations \$1,000 to help them continue the work they do for the wider Ballarat community.



This year, despite the COVID-19 lockdowns, GPG continued to make positive contributions to the wider community through a series of direct donations and the Good Neighbour Program.

GPG has managed to build and develop constructive relationships with the community in Ballarat and other stakeholders by engaging them in frequent consultations and dialogue. Listening closely to the residents in the area around our mine and working to resolve any issues that may arise have helped us to establish mutual support, understanding and trust.

Some of the ways we demonstrate our commitment to the community include:

- communicating openly and honestly to understand and address concerns raised by the community;
- hosting an independently chaired Environmental Review Committee consisting of local stakeholders, regulatory authorities and GPG representatives;
- employing and training local residents;
- supporting local service and supply companies; and
- sponsoring and supporting community projects.

COMMUNITY AND CORPORATE SOCIAL RESPONSIBILITY

BIGGEST MORNING TEA

This year GPG has enrolled in the Biggest Morning Tea to help raise money for cancer research. We may know someone who has succumbed to this terrible disease, or someone who is currently living with it.

GPG conducted a raffle for the event and raised \$1,482. Businesses in the wider Ballarat community supported the event through donations of prizes on the day.

GPG's website link for the event is provided below. https://www.biggestmorningtea.com. au/fundraisers/GoldenPointGroup/vic



FLASHDRIVE & GPG IT PROGRAM

GPG has partnered with Flash Drive Beyond the Classroom Inc. ("**Flash Drive**"), a not-for-profit organization that employs people from the National Disability Insurance Scheme, to refurbish IT equipment. Upon refurbishment, the computers are then sold for a nominal fee to community members who may not be able to afford to purchase IT products through regular retail outlets. The donation occurred on 22 February 2021, with Kevin Garcia attending and representing GPG's IT Department.

The initial donation consisted of:

- 10 x Dell monitors
- 10 x Dell PC's
- 1 x box of excess cables and leads.





GPG has demonstrated its commitment to the continuation of its relationship with Flash Drive and provide support to the people in our community who need them.

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