

ENVIRONMENTAL  
SOCIAL  
GOVERNANCE

# Disclosure Report



**Estrella Resources Limited**

**1 Jul 2023 to 30 Sep 2023**

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# Environmental, Social, and Governance (ESG)

Estrella Resources Limited (" or the "Company") is committed to the principles of ESG as the most effective means of creating long-term enterprise value and addressing the societal priorities enshrined in the United Nations' Sustainable Development Goals. In May 2022, we made a commitment to commence reporting on the Environmental, Social, and Governance (ESG) disclosures of the Stakeholder Capitalism Metrics (SCM) of the World Economic Forum (WEF).

We are in the process of making ESG disclosures in the form of a set of universal, comparable ESG metrics focused on people, planet, prosperity and principles of governance that organisations can report on regardless of industry or region. This table represents our reporting against the 21 core metrics, being reviewed quarterly and updated periodically.

We use this universal ESG framework to align our mainstream reporting on performance against ESG indicators. By integrating ESG metrics into our governance, business strategy, and performance management process, we diligently consider all pertinent risks and opportunities in running our business. We continue to look for opportunities for further transparency on the topics which are material to our business.

To track our disclosure progress and demonstrate our sustainability performance against the WEF SCM framework we utilise Socialsuite's ESG Go disclosure platform. ESG Go enables us to demonstrate our ongoing commitment to ESG by providing a dedicated solution to track, report, and share our ESG disclosures. With ESG Go we have started the journey of building robust ESG credentials.

Last updated: 13/9/2023

# Governance

## GOVERNING PURPOSE

### Setting purpose

CODE	TYPE	STATUS	LAST UPDATED
GO-01-C1	Full disclosure	Verified	13 Sep 2023

Estrella Resources Limited (ESR) is a diverse Western Australian based company, focused on the exploration and sustainable development of critical metal projects. ESR aims to achieve long term shareholder value with the Board's extensive experience in exploration and their innovative approach to the mining and development of metal deposits.

Estrella Resources Limited current portfolio focuses on West Australian based nickel sulphide exploration and development projects, including the Carr Boyd Nickel and Spargoville Nickel Project.

The Company actively engages industry experts and conducts research and development activities to achieve stakeholder value, be that financial or environmental.

The Company has successfully achieved milestones in several R&D projects that, if the projects were completed conventionally, would have seen in vast increase in our environmental footprint. R&D projects ranged from cutting-edge geology leading to much more efficient targeting to very low impact geophysical and seismic survey work. These culminated in preservation of both the environment and company resources and much increased efficiencies.

The Company is committed to ongoing R&D aimed at low environmental impact methods to minimise the impact of the recovery of metals from the ground in an environment of increasing environmental and social concern.

See Also: [ESR Projects](#)

## QUALITY OF GOVERNING BODY

## Governance body composition

CODE	TYPE	STATUS	LAST UPDATED
GO-02-C1	Full disclosure	Verified	6 Mar 2023

The composition of the Board and the Directors skills and experience are structured to allow for effective and efficient decisions to be made.

The Board has a skills matrix which is reviewed and adopted annually as part of its Corporate Governance Statement reporting.

The Board has 2 independent Non-Executive Directors including the Chairman and therefore a majority of independent Directors.

The Board has adopted a Diversity Policy but does not have a gender diverse Board as the existing Directors are deemed to have sufficient skill and experience to carry out the Company's plans.

Each Director's appointment date is reported in the Company's annual report.

See Also: [Board Members](#), [Corporate Governance Statement](#), [Diversity Policy](#), [Board Performance Evaluation Policy](#)

## STAKEHOLDER ENGAGEMENT

### Material issues impacting stakeholders

CODE	TYPE	STATUS	LAST UPDATED
GO-03-C1	Full disclosure	Verified	13 Feb 2023

This disclosure highlights the importance of the relationship between what is material to Estrella and to its stakeholders.

Estrella actively involves key stakeholders in consultation. By doing so, material issues have been identified, captured, discussed and analysed with feedback provided and ongoing consultation taking place where necessary.

We are committed to continuing clear and consistent communication,

engagement, and consultation with our stakeholders, and are in the process of formalising our current processes into a Stakeholder Engagement Plan.

Estrella's stakeholders include Shareholders, Station Owners, Local Government, State Government and Indigenous Communities. At this stage, no formal stakeholder identification process has been required for the Company's site operations, as the number of stakeholders is very limited due to the local nature of operations. A more formal stakeholder identification process will be implemented when the Company expands its operations.

Stakeholders such as pastoralists and external service providers are contacted regularly by Estrella's management team to discuss issues, raise awareness of the Company's needs and future direction, or just to catch up and keep communication channels open.

More formal arrangements such as weekly meetings are scheduled with major contractors and weekly toolbox meetings are conducted on site so that any employee or contractor can voice concerns regarding any issue that may be causing concern, or pose a risk to safety, to the environment, or the work culture on site.

See Also: [Shareholder Communications Policy](#), [Continuous Disclosure Policy](#)

## ETHICAL BEHAVIOUR

### Anti-corruption practices

CODE	TYPE	STATUS	LAST UPDATED
GO-04-C1	Full disclosure	Verified	13 Feb 2023

The Company has adopted an Anti-Bribery and Corruption Policy and has a zero-tolerance approach to bribery and corruption. We and our representatives are committed to acting professionally and with integrity in all business dealings. The Company recognises the damage that can be caused to stakeholders should allegations be made against one of its representatives and so is diligent in its monitoring of this aspect of the business.

No Representative of the Company is permitted to pay, offer, accept or receive a bribe in any form. All business activities must be transparent and sufficiently documented so as to be above suspicion. The Company is committed to ensuring that representatives

behave in a manner that is consistent with the law and the Company's values.

The Company has a Whistleblower Policy offering anyone in the Company a process through which any concerns can be raised.

The Company has had no incidents of corruption during the financial year.

See Also: [Securities Trading Policy](#), [Anti-Bribery and Corruption Policy](#)

## RISK AND OPPORTUNITY OVERSIGHT

### Integrating risk and opportunity into business process

CODE	TYPE	STATUS	LAST UPDATED
GO-05-C1	Partial disclosure	Verified	23 Feb 2023

The Board determines the Company's risk profile and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.

The Board has delegated to the Audit and Risk Committee responsibility for implementing the risk management system. The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required to assess risk management and associated internal compliance and control procedures and report back at each Audit and Risk Committee Meeting at least annually.

The Board and Management are currently working their way through the ESG risk and opportunity identification process. The company ethos to date has been to identify opportunities to conserve both company and environmental resources through Research and Development as well as using common sense approaches to utilising scarce resources, whilst minimising our impact to the environment and on people.

See Also: [Risk Management Policy](#)

## ETHICAL BEHAVIOUR

## Mechanisms to protect ethical behaviour

CODE	TYPE	STATUS	LAST UPDATED
GO-04-C2	Full disclosure	Verified	23 Feb 2023

The Directors of Estrella are committed to running the Company ethically and in accordance with the ASX Corporate Governance Principles.

The Company has a Whistleblower and Code of Conduct Policy which formalises the internal and external process for reporting any conduct that is of concern.

The Code of Conduct Policy is intended to assist as a guide to promote lawful and ethical behaviour throughout the Company and to encourage Staff to act honestly, in good faith and in the best interests of the Company at all times.

All stakeholders are entitled to expect the highest professional standards from representatives of the Company. Sound ethical practices will contribute to enhancing the Company's reputation and ensure a sustainable business into the future.

In particular, Directors must discharge their duties at the highest levels of honesty and integrity, acting in good faith and in the best interests of the whole Company, having regard to their position, and the organisation's goals and objectives. This entails taking personal responsibility for all issues over which they have control, and for reporting any observed breaches of laws or regulations. It also requires that the Directors do not act in ways which would lead others to question their commitment to the Company.

See Also: [Corporate Code of Conduct](#), [Whistleblower Policy](#)

# Planet

## CLIMATE CHANGE

### GHG emissions

CODE	TYPE	STATUS	LAST UPDATED
PL-01-C1	Explanation	Reported	23 Feb 2023

Estrella Resources has reviewed the GHG Protocol Corporate Accounting and Reporting Standards and understands the implications for its planned projects.

As the project has not yet commenced, we are currently not at this stage.

In the mean time, company representatives and contractors are being educated in ESG, and are strongly encouraged to conserve GHG producing resources by considering the impact GHG have on the planet.

## NATURE LOSS

### Land use and key biodiversity areas

CODE	TYPE	STATUS	LAST UPDATED
PL-02-C1	Full disclosure	Reported	13 Sep 2023

Estrella Resources does not operate in any Key Biodiversity Areas. Our Carr Boyd Nickel Project does abut the Goongarrie National Park and the Company has an active Exploration Environmental Management Plan (EEMP) in place to manage activities within the vicinity of the park, along with procedures to manage and minimise the risk to native flora and fauna. The Company has no plans to operate within the National Park and has committed to buffer zones prohibiting activity along the borders of the National Park.

The Company actively pursues a campaign against invasive flora and weeds within its leases.

Estrella maintains its commitment to the environment through a concerted effort to



minimise the environmental impact its operations may have. The Company's employees have the skill set and awareness to operate with a minimum footprint and thus conserve our landscapes, flora and fauna.

In addition the Company has adopted a recycling strategy on site to minimise the waste to landfill and to recycle all appropriate material.

The Company has adopted a number of other measures that are in line with being a responsible custodian of the land on which the Company operates. These include rehabilitating drill pads and exploration tracks no longer in use, cleaning up historical mining scrap metal and other waste to a centralised dump, only using previously cleared areas for all new infrastructure and ongoing exploration as much as possible, and recycling all oils and liquid carbons via Kalgoorlie's recycling infrastructure.

## FRESHWATER AVAILABILITY

### Water consumption

CODE	TYPE	STATUS	LAST UPDATED
PL-03-C1	Full disclosure	Verified	13 Feb 2023

The Company consumes water for personal use as well as for drilling.

Personal use water for the camp and for drinking is trucked in from Kalgoorlie-Boulder and thus does not impact local supplies. Water usage is monitored daily and calculated on a per-person basis. This information is reported back to personnel so that all are aware of the quantum of usage. The Company encourages personnel to conserve water through this feedback. Due to the very low volumes of water consumed, there is no requirement to report usage at this stage.

Drill water is sourced from an abandoned mine and is saline in nature. It cannot be used for personal use. The act of drilling returns the water to the regional aquifer from which the water was originally drawn and there is no net impact to water supply. Abstraction volumes are calculated daily however as the volumes are so low, there is no current requirement that these volumes are to be reported.

## CLIMATE CHANGE

### TCFD implementation

CODE	TYPE	STATUS	LAST UPDATED
PL-01-C2	Explanation	Reported	6 Mar 2023

The Company understands the Task Force on Climate-Related Financial Disclosure recommendations as they apply to our business.

# People

## DIGNITY AND EQUALITY

### Diversity and inclusion

CODE	TYPE	STATUS	LAST UPDATED
PE-01-C1	Partial disclosure	Verified	13 Feb 2023

Estrella Resources does not discriminate on the basis of age, gender, ethnicity or sexual preference.

The Company selects candidates for employment based solely on their merits, intelligence, experience and capability to perform the intended role.

Previous employees at the company's sites have ranged widely in age and in ethnicity, in fact they have been dominantly quite multi-cultural. Female to male ratios have been as high as 4:6 of our direct employees at any one time with one female employee at age 69 acting as site supervisor. The company currently has one indigenous employee.

As the workforce at Estrella is currently very small, no further metrics could elucidate further.

See Also: [Diversity Policy](#).

## HEALTH AND WELL-BEING

### Health and safety

CODE	TYPE	STATUS	LAST UPDATED
PE-02-C1	Full disclosure	Verified	25 Aug 2022

Estrella understands that strong standards of health, safety and labor rights which can improve employee productivity and operational efficiency and enhance employee well-being.

The Company has suffered only one lost time injury over its 4-year history. That employee

suffered a serious ankle injury and the Company supported them through the 9 months of medical interventions and rehabilitation, even radically adjusting their responsibilities so as to maintain their sense of well-being.

## SKILLS FOR THE FUTURE

### Training provided

CODE	TYPE	STATUS	LAST UPDATED
PE-03-C1	Full disclosure	Verified	13 Feb 2023

Estrella conducts internal training on a regular basis, on average two hours per week per employee. This training uses external resources as a guide to the information provided as well as internal expertise.

Employees can request or are offered relevant courses on an ad-hoc basis, depending on course availability and the needs of the individual. On average \$1800 was spent per year per employee on training last year.

In addition, as a part of R&D Projects that Estrella conducts, company employees spend time with leading industry professionals during which they can interact and ask questions to further their understanding in both their jobs and in their discipline more broadly. The value of this exposure to cutting-edge research and thinking cannot be quantified and all company personnel benefit from the experience.

## DIGNITY AND EQUALITY

### Pay equality

CODE	TYPE	STATUS	LAST UPDATED
PE-01-C2	Partial disclosure	Verified	13 Feb 2023

Estrella promotes pay equality amongst the organisation and is committed to recruiting the most talented individual regardless of gender.

Estrella reports remuneration of its Directors and Key Management Personnel in its Annual Report to Shareholders.

Estrella reports the Principles it uses to determine the nature and amount of its Director and Key Management Personnel remuneration in its Annual Report to Shareholders.

The Company consults with key industry human resources consultants to ensure its workers are remunerated at or above industry standard.

Females who worked in the field were represented in both the highest paid and lowest paid categories when compared to their male counterparts. This was exclusively due to their respective roles within the organisation and both were at industry standard for those roles.

Ethnic employees were paid above industry standard when compared to Anglo-Saxon employees of other companies. This was primarily due to the merit of the employees and the nature of the job.

As the Company is still a small business, the issue of pay equality has not arisen due to the fact that no one role is the same as another and thus no comparisons can be made. As the Company grows, a policy will be put in place to guide remuneration decisions.

## DIGNITY AND EQUALITY

### Wage level

CODE	TYPE	STATUS	LAST UPDATED
PE-01-C3	Full disclosure	Verified	13 Feb 2023

Estrella recognises that fair and reasonable remuneration and employee benefits contribute to attracting and retaining the best talent and achieving the Company's objectives.

Estrella's entry level employees are remunerated significantly higher than Australia's minimum wage and in line with current industry levels at 225%. The Company's Managing Director compensation is 216% of the average full time employee's.

See Also: [Remuneration and Nomination Committee Charter](#)

## DIGNITY AND EQUALITY

## Child, forced or compulsory labour

CODE	TYPE	STATUS	LAST UPDATED
PE-01-C4	Explanation	Verified	5 Sep 2022

Due to Estrella operating in WA and with the project at planning stage, this metric is currently not measured.

# Prosperity

## EMPLOYMENT AND WEALTH GENERATION

### Rate of employment

CODE	TYPE	STATUS	LAST UPDATED
PR-01-C1	Partial disclosure	Verified	13 Feb 2023

Estrella is committed to job creation and recognises this as a key source of economic activity in Australia.

During the 2022 financial year there were more than 25 people on site at any one time, with 10 direct employees of Estrella. Turnover was low with just 1 employee added in 2022.

The company has currently put a hold on its exploration push at Carr Boyd whilst it evaluates the potential start-up of its Spargoville nickel assets. As such, the company's workforce has been reduced to just 3, one of whom is indigenous to Australia.

The company looks forward to proving and financing a new nickel mine in the near future which will see a quick increase in personnel.

## INNOVATION OF BETTER PRODUCTS AND SERVICES

### Total R&D expenses

CODE	TYPE	STATUS	LAST UPDATED
PR-02-C1	Full disclosure	Verified	13 Feb 2023

Estrella is committed to progressing its exploration activities using the latest in mineral exploration technologies and is fully committed to its R&D program.

During the year ended 30 June 2021 the Company successfully received an R&D Tax Incentive claim for the eligible activities it undertook at Carr Boyd.

In 2022 and 2023 further R&D was conducted at Carr Boyd with an additional 2 R&D

projects at the company's Spargoville Operations. It is estimated that 70% of R&D expenditure will benefit the company's commitment to healthy ESG.

The Company has successfully achieved milestones in several R&D projects that, if the projects were completed conventionally, would have seen a vast increase in our environmental footprint. R&D projects ranged from cutting-edge geology leading to much more efficient targeting to very low impact geophysical and seismic survey work. These culminated in preservation of both the environment and company resources and much increased efficiencies.

The Company is committed to ongoing R&D aimed at low environmental impact methods to minimise the impact of the recovery of metals from the ground in an environment of increasing environmental and social concern.

R&D expenditure is published in the company's Quarterly and Annual Financial Reports.

## COMMUNITY AND SOCIAL VITALITY

### Total tax paid

CODE	TYPE	STATUS	LAST UPDATED
PR-03-C1	Full disclosure	Verified	13 Feb 2023

The Company understands how taxes are important sources of government revenue and contribute to providing essential services in the community.

The full financials are reported to the ASX and on the company's website.

Currently the company is in the exploration and development phase of its projects and therefore is not currently required to pay tax in Australia.

See Also:[Investor Centre](#)

## EMPLOYMENT AND WEALTH GENERATION

### Economic contribution



CODE	TYPE	STATUS	LAST UPDATED
PR-01-C2	Full disclosure	Verified	8 Mar 2023

Disclosure requirements on the company's economic contribution can be found in our Annual Report at the link below.

See Also:[Investor Centre](#)

## EMPLOYMENT AND WEALTH GENERATION

### Financial investment contribution

CODE	TYPE	STATUS	LAST UPDATED
PR-01-C3	Full disclosure	Verified	8 Mar 2023

Disclosure requirements on the company's financial investment contribution can be found in our Annual Report at the link below.

See Also:[Investor Centre](#)