



Modern Slavery Statement

2023



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Reporting Entity

This report is made on behalf of CITIC Pacific Mining Management Pty Ltd and its Related Bodies Corporate that are involved in the operation of the Sino Iron Project.

In this statement, a reference to 'CPM', 'Company', 'we' and 'our' is deemed to be a reference to each of the Australian Sino Iron Project companies which include: CITIC Pacific Mining Management Pty Ltd, Sino Iron Holdings Pty Ltd, Balmoral Iron Holdings Pty Ltd, Sino Iron Pty Ltd, Korean Steel Pty Ltd, MetaGas Pty Ltd, Pastoral Management Pty Ltd, Cape Preston Resource Holdings Pty Ltd, Cape Preston Port Company Pty Ltd, Pilbara Land Management Pty Ltd and Altus Shipping and Logistics Pty Ltd.

The above companies are all wholly owned subsidiaries of the Hong Kong listed company CITIC Limited. Headquartered in Perth, CPM was established to manage the construction and operation of an integrated mining, processing and port operation supplying high grade, low impurity iron ore product to the steel mills of Asia (the 'Sino Iron Project' or 'Sino Iron').

In just over a decade, the Sino Iron Project has transformed from a greenfields location on the Pilbara coast to a fully integrated, pit-to-port magnetite mining, processing and export megaproject. Over the life of the project, it's estimated more than \$51 billion will be spent on local goods and services in Western Australia alone.

Today, Sino Iron is the world's largest seaborne supplier of magnetite concentrate to China and a pioneer of iron ore value-adding in Western Australia. We have around 3,000 employees and contractors involved in ensuring the success of our operation.

This statement is published pursuant to the Modern Slavery Act 2018 (Cth) ("Act") and will cover the actions the company has taken to address Modern Slavery in its operations and supply chain **from 1 January 2023 to 31 December 2023.**



Foreword

The human rights of our personnel, suppliers, customers and the community members where our project is located are paramount.

The significant social and economic contribution CPM and our industry peers make to the Australian community is well documented. Investment in the resources sector underpins tens of thousands of local jobs and revenue streams to government, which enable the delivery of schools, hospitals, roads and other essential community infrastructure.

However, our commitment to operate in a sustainable and ethically responsible manner goes well beyond Australian shores. We do everything we can to ensure that the goods and services we use, some sourced from overseas, align with our company's values and community expectations.

Anti-Slavery Australia estimates that the global number of people living in Modern Slavery exceeds 40 million. This can take the form of unpaid work, excessive working hours, human trafficking, forced labour, debt bondage and child labour.

As a Company we are committed to working with our employees and suppliers to identify the risks of Modern Slavery and to take necessary actions to address these risks.

Since our first Modern Slavery statement, we have progressively rolled out initiatives supporting this objective. They include communicating our compliance requirements to vendors and updating terms and conditions, conducting internal training on the issue and identifying areas of higher risk such as use of international shipping and overseas subcontractors and developing appropriate mitigation strategies.

Sino Iron is a significant iron ore value-adding operation. Each year we work with more than a thousand vendors, the majority of whom are Australian entities. Many of these vendors are common to other operations within the local industry. We are proud to continue to work with our peers to combat Modern Slavery, wherever it may occur.

The human rights of our personnel, suppliers, customers and the community members where our project is located are paramount.

On behalf of CITIC Pacific Mining, I am pleased to present our Modern Slavery Statement for this Reporting Period.

Chen Zeng
Chairman and Chief Executive Officer
June 2024



Vision and Values



To maintain its position as world's largest seaborne supplier of magnetite concentrate to China, CPM has a set of core visions and values which it relies upon. These have appeared in previous statements and underpin or policies, procedures and most importantly, our culture.



Our Vision

CPM seeks to become a world-leading organisation, specialising in magnetite iron ore operations by working collaboratively with our people to safely mine, process and export this valued resource.

To achieve this, we rely on **Our People** to:

- Lead by example, ensuring they bring positivity, motivation and support for their colleagues;
- Respect and value each other;
- Care about doing a good job safely; and
- Be innovative, share ideas and enjoy working in teams.

As a business, we aim for **Our People** to:

- Feel that their contributions are valued and their successes celebrated;
- Be provided with opportunities to fulfil their potential;
- Be provided training to ensure our workforce is competent and productive; and
- Be well informed about things that matter to them.

Our Way of Doing Business

- Our leaders set direction, lead by example and deliver positive results;
- Everyone views safety as a number one priority;
- Our people are fairly treated and with respect;
- We recruit exceptional people and offer rewarding careers;
- We endorse only the highest standards of behaviour and performance;
- We recognise and reward outstanding performance and achievement; and
- We encourage continuous personal and organisational growth by providing training to improve efficiency, productivity and support career development.



Our Values



INTEGRITY

"Always doing what is right, fair and safe for each other. Where employees witness behaviour not in line with our values, they are encouraged to speak up."



HARMONY

"Promoting an inclusive environment that welcomes all employees regardless of race, gender, nationality, ethnic origin, age, religion or sexual orientation."



DEDICATION

"At all times we strive to make the safety and wellbeing of our employees our highest priority."



CREATIVITY

"Valuing the contributions of others and continuously seeking ways to improve ourselves and the business."



EXCELLENCE

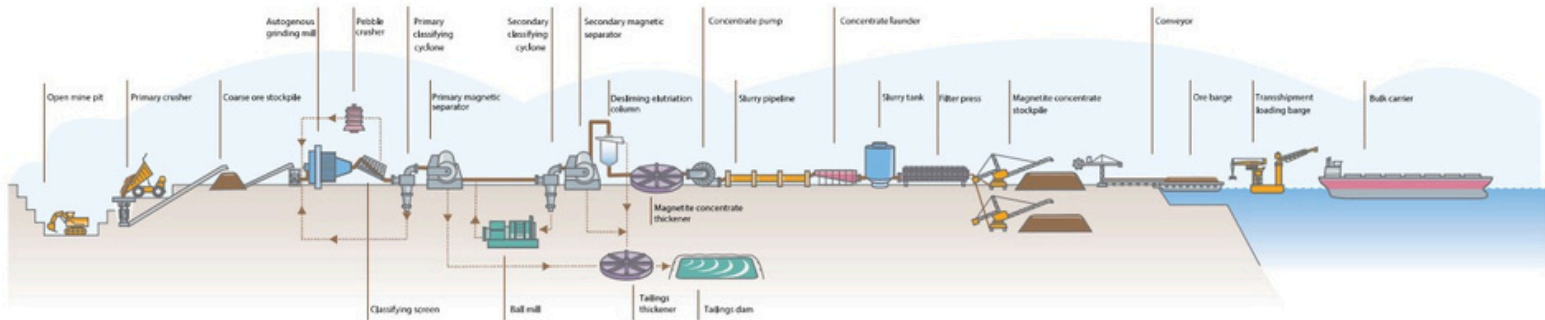
"Embracing new ideas, valuing teamwork and striving to reach the highest standards for our product and people."



COHESION

"Working together, along with customers, partners and the community, so we can positively impact each other and achieve our goals for mutual success."

Our Operations



Sino Iron is the largest magnetite mining and processing operation in Australia, located 100km southwest of Karratha at Cape Preston in Western Australia.

We have invested in iron ore mining and processing facilities and supporting infrastructure including a 480MW combined cycle gas-fired power station, 51GL reverse osmosis desalination plant, and a dedicated port for transshipping operations.

At the heart of our value-adding operation is a six-line processing area. It is here that low impurity magnetite ore is put through a rigorous beneficiation process which includes crushing, screening, grinding, magnetic separation, and filtering. This allows us to produce a premium iron ore product with a high-grade Fe and low impurities – Cape Preston Concentrate.

There is a strong demand for this type of product in Asia as it is an ideal material for pellet making - the preferred feed in the steelmaking process. The purpose-built port terminal facility at Cape Preston allows concentrate to be shipped to overseas steelmakers, mainly in China.

Concentrate is dewatered and reclaimed from stockpiles on a 4.4km conveyor to the barge loading berth. A transshipment method is used where concentrate is taken by barges and self-unloading vessels to deeper water for loading onto bulk carriers.

In 2023 more than 21 million (wet metric) tonnes of Cape Preston Concentrate was shipped from the Port of Cape Preston. Building long-term, sustainable relationships with our employees and suppliers is critical to our operations and ensures ongoing social and economic benefits to the community.



OUR OPERATIONS

CPM provided AUD20,000 to three community organisations throughout 2023 as part of its CPM Community Support Fund (CCSF).

The fund was established following the introduction of CPM's *Containers for Change* recycling initiative, with returns from drink container recycling at the Sino Iron operation reinvested into community programs via the grants program.

Two CCSF application rounds are held annually, with up to AUD5000 (inclusive of GST) available per application.

Focus area for grant funding are:

- Education and training
- Healthy, active lifestyles
- Cultural learning and exchange
- Environmental responsibility
- Youth support and development


In 2023 funding was provided for children's outdoor play areas; equipment for Aboriginal cultural events; and hospitality training for local Aboriginal community members.

In addition, CPM has a long-standing partnership with the Clontarf Foundation's Karratha Academy, providing opportunities for Aboriginal youth in the region.



CPM COMMUNITY SUPPORT FUND



 **Read more about our CPM Community Support Fund (CCSF) at** citicpacificmining.com/our-responsibilities/cpm-community-support-fund

Our Supply Chain

Since the introduction of the Act, CPM has focused on continuous improvement within its Supply Chain to combat Modern Slavery.

Previous Reporting Periods

In previous reporting periods, CPM has implemented “top-down” changes within its supply chain, which were designed to put in place a strong foundation from which to manage Modern Slavery risks. Although these initial changes have enabled CPM to ensure a strong level of compliance from its suppliers, CPM has always acknowledged the importance of obtaining a greater level of feedback from its supply chain via an online self-assessment questionnaire (“SAQ”).

2023 Reporting Period

During the Reporting Period, CPM was able to identify and engage an Australian-based third party software vendor who specialises in solutions for modern slavery supply chain assessments. The third party vendor was able to utilise their software to provide CPM with an SAQ model and also a reporting tool (which collates the data from the SAQ and provides useful analysis), both of which are detailed below.

a) SAQ

For the initial roll-out of the SAQ, CPM targeted a small number of long-term key suppliers to our business, covering several categories of supply. CPM was seeking to understand how the software functioned and the level of assessment completed, together with what outputs were available. Specifically our aims were:

(i) to determine whether the SAQ enabled reporting on key suppliers’ compliance with their own obligations, processes and data (to ultimately ensure their own compliance to the Act); and,

(ii) to ensure a high level of automation to remove the traditional heavy administrative workload often required when managing large surveys.

b) Reporting Tool

As we work to support each supplier through to completion of their SAQ responses, their supplier assessment of the software solution is collected. Together with those assessments CPM will be reviewing the solution against alignment to the Act’s criteria and relevant risk categories, ease of use by both our supplier and CPM and what level of report and insights are available post assessment during summary and review phase.



In 2024, CPM will move towards finalising our review of the software solution to ensure positive benefits, ease of use and best fit for both CPM and our key supplier base.

During the Reporting Period, the Company purchased goods and services from **1,134** different vendors and incurred total expenditure of **AUD1.8 billion**. The purchasing activities remained diverse and our largest spend fell into the categories of fuels (which is comprised of natural gas and diesel), followed by mining equipment and spare parts.

Of our total expenditure, **93%** was against our Tier 1 (direct) suppliers. Total expenditure against those Australian based Tier 1 entities was around **AUD1.23 billion**. For the remaining Tier 1 suppliers that were based overseas, the vast majority of spend was from suppliers in Singapore and China.

Expenditure during the Reporting Period FY2023

1134

Number of vendors CPM purchased from in FY2023

**AUD
1.8B**

CPM's total expenditure in FY2023

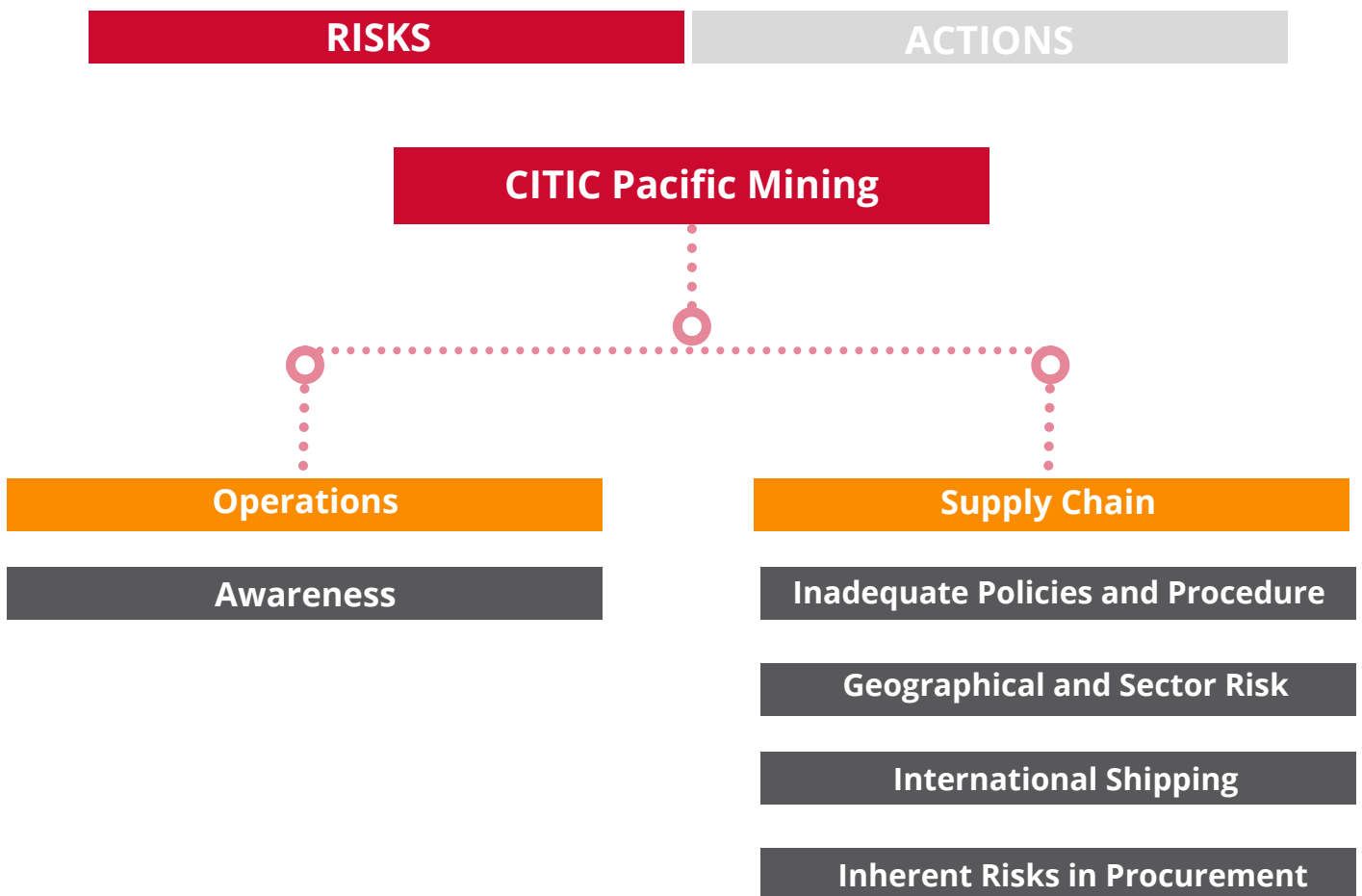
75.5%

CPM's committed total expenditure with Australian entities FY2023



Risks in Operation and Supply Chain

Within CPM's Operations and Supply Chain, CPM have a number of targeted risk areas:



Risks in Operation and Supply Chain

Awareness

CPM appreciates that policies and procedures are only as good as the people in place to implement them. With new employees and suppliers being routinely engaged, there is a risk that modern slavery occurrences will be overlooked and not properly reported.



Geographical and Sector Risk

Like other mining operators, CPM has a vast and complex supply chain which is based on multiple tiers of suppliers (in different locations and sectors). Within this chain it is expected that CPM's suppliers will purchase goods from geographical locations that are considered high risk in relation to Modern Slavery. CPM's suppliers are also involved in the construction and associated manufacturing industries, in which modern slavery incidences are more commonplace [1].

International Shipping

CPM often charter Ocean Going Vessels ("OGV's") and while the relevant seafarers are not engaged directly by CPM, there is an industry risk in relation to their employment conditions. As demonstrated in the Mekong Club Report, *"Guide to Minimising Modern Slavery Risk in Shipping Supply Chains"*, it is well established that Seafarers are commonly exploited in various ways, including but not limited to:

- payment for illegal recruitment fees;
- work beyond contract expiry;
- overwork due to low manning levels; and
- abandonment (e.g. failure to pay cost of repatriation) [2].

[1] KPMG, 2020, Property, Construction and Modern Slavery. rep. KPMG. Available at: <https://assets.kpmg.com/content/dam/kpmg/au/pdf/2020/property-construction-modern-slavery-practical-guide.pdf> (Accessed: June 2024).

[2] Wong, T.Y. (2023) Guide to Minimising Modern Slavery Risk in Shipping Supply Chains. rep. Mekong Club. Available at: https://themekongclub.org/wp-content/uploads/2023/04/TMC-Guide-to-Minimising-Modern-Slavery-in-Shipping-Supply-Chains_Feb23_Final3.pdf (Accessed: June 2024).

Risks in Operation and Supply Chain



Inadequate Policies and Procedures

Although CPM has completed many actions in previous reporting periods to address compliance of suppliers in relation to Modern Slavery, CPM acknowledge that there could be a risk that companies operating in the Supply Chain do not have adequate policies and procedures in place to the same level of CPM (or to a standard that will allow the company to address the relevant risks).

Inherent Risks in Procurement

CPM appreciate that the imposition of urgent timeframes or low-priced jobs can sometimes contribute to a heightened Modern Slavery Risk. Often in order to meet the urgent demand or to ensure the work is still profitable, there is a potential within the industry for a supplier or subcontractor to exploit their labour base.



Actions taken to Address Risks including Due Diligence and Remediation

Due Diligence

As it relates to dealing with the above risks in its Supply Chain, CPM has identified below the steps it has taken during this Reporting Period:

➤➤➤ AWARENESS

- CPM has increased the number of participants in the Modern Slavery training and has extended it to a larger variety of CPM Departments.
- CPM has ensured that new Capital Projects have a greater focus on Modern Slavery risks. In this respect, all risk assessments for the Capital Project will have a field that is dedicated to Human Rights and Modern Slavery. This will ensure that CPM personnel putting forward a new capital request adequately consider the potential for modern slavery or any human rights issues (including but not limited to issues that could arise during the procurement of any materials).
- CPM stakeholders reviewed UN Guiding Principles on Business and Human Rights to ensure actions were suitably aligned with those principles.
- CPM's Risk Manager provided updates to CPM's Risk Committee (comprised of various Directors of CITIC Pacific Mining Management Pty Ltd) on the actions being undertaken in relation to Modern Slavery to obtain feedback on various due diligence actions.
- CPM also brought together key business Departments to ensure a holistic approach was taken in assessing and responding to key risks of Modern Slavery. This involved participation from Departments involved in Procurement, Risk Management, Legal and Corporate Affairs who met during the year to discuss Modern Slavery.



»»» GEOGRAPHICAL AND SECTOR RISK

- Dealing with geographical risk in sourcing goods and services is a complex task given the vast number of different subcontractors a supplier can engage. However, to better manage the risk, CPM is using its SAQ to further identify the locations in which the supplier is sourcing. CPM is also using the Reporting Tool to provide guidance to CPM on the risk category assigned to specific locations. By identifying the relevant suppliers who engage in the high-risk categories, CPM can better focus its efforts in addressing Modern Slavery risks.
- In terms of addressing industry sector risk, CPM use the Reporting Tool to identify the number of suppliers who are involved in high-risk sectors (e.g. construction and manufacturing). Although CPM is unlikely to move away from these sectors, the level of analysis will assist CPM to better understand its own risk profile.

INTERNATIONAL SHIPPING

- CPM continues to ensure that its vessels comply with the *Maritime Labour Convention 2006* and maintain its process of requesting a Maritime Labour Certificate from OGV Owners. As indicated in previous reports, the certificate provides assurance to CPM that seafarers' working and living standards are up to the relevant standards.
- CPM have also ensured that Modern Slavery obligations are inserted into its Charter Party Agreements.
- CPM continue to use Right Ship assessments. Right Ship is a leading maritime risk management and assessment organisation that is engaged by CPM to provide a report on any new vessel that is to be engaged for Charters. The report can be used to verify that the vessel's condition, quality, safety systems and health and wellbeing of seafarers are at an appropriate standard [3].
- CPM has ensured its personnel involved in International Shipping have kept up to date with current shipping industry trends, which allows CPM to continually monitor its approach to dealing with any new Modern Slavery risks in this industry.

INADEQUATE POLICIES AND PROCEDURES

- As part of the SAQ process identified earlier, CPM inquired with suppliers in relation to whether they have in place specific policies that are commonly used in the prevention of Modern Slavery and human rights abuses. These included but were not limited to requests for the suppliers to confirm the presence of a Modern Slavery Policy, Child Labour Policy, Withholding documents policy and an Anti-discrimination policy.

INHERENT RISKS IN PROCUREMENT

- When conducting procurement activities, CPM will of course consider timeliness and ensuring the works are conducted at a reasonable cost, however, this is not our sole focus and other key criteria are also considered. This holistic evaluation approach allows CPM to more properly consider whether a supplier has the proper resources and capacity to fulfil the relevant Scope of Work (and in this way it reduces the likelihood that workers will be exploited). CPM also continues to ensure its commercial contract templates contain obligations on the Supplier in relation to Modern Slavery.

[3] (2022) Rightship. Available at: <https://rightship.com/> (Accessed: 12 June 2024).

Remediation

CPM has not identified any instances of Modern Slavery in the Reporting Period.

However, as was the case in previous reporting periods, if a situation ever did materialise, CPM has in place clear reporting mechanisms which it would continue to utilise.

In this respect, CPM maintains a Whistleblowing Policy that provides a mechanism for directors, officers, employees, suppliers and contractors to report misconduct or an improper state of affairs or circumstances. Given the sensitive nature of a complaint in relation to Modern Slavery, the Whistleblowing Policy allows for anonymity unless the complaint falls into a list of exceptions (e.g., the disclosure is required by law or the Whistleblower provides their consent).

The Workplace Grievance Policy may also be used by employees for employee concerns about conditions of employment or behaviours of other employees that are having an unreasonably negative impact on their ability to carry out their duties.

If a Modern Slavery instance did arise, CPM would be guided by its Anti-Slavery Policy. However, remediation would be dealt with on a case basis, which would involve an investigation that considers the full context and that upholds the human rights of the individuals involved.



Assessing Effectiveness

During the Reporting Period CPM continued to assess its effectiveness by attending to the following:

#	Recommendations	
1	Attending Human Rights Resource and Energy Collaborative (HRREC) meetings - CPM attended various meetings with other Energy and Resource companies to consider other practices and assess whether its own approach could be improved;	
2	Confirming the internal completion rates for Modern Slavery Training;	HIGH
3	Reviewing the UN Guiding Principles on Business and Human Rights;	HIGH
4	Obtaining feedback from the Risk Management Committee on the approach to addressing Modern Slavery Risks and to inform the risk rating applied to Modern Slavery; and	
5	Reviewing the findings of various completed SAQ's and using an Insights Report to determine risk scores of various vendors in relation to their operations, production and sourcing.	

Consultation



In order to prepare this Statement, each of the CPM reporting entities were consulted along with any entities it owns or controls.

As indicated in previous Statements, CITIC Pacific Mining Management Pty Ltd is the managing entity for the Sino Iron Project and its Board of Directors maintains oversight of the governance of the project.

The Management Committee, consisting of CPM's Board of Directors and senior managers, meets monthly to discuss and provide direction on key matters concerning the project.

The Modern Slavery Statement was drafted with input from departments forming the frontline business units and has been reviewed and approved by the CITIC Pacific Mining Management Board of Directors prior to its submission and publication.

Looking Forward



CPM prioritises continuous improvement with each Statement it makes. Each year we will look to extend upon our action Items for the previous year and the way in which we assess the effectiveness of these actions.

As indicated above, during the Reporting Period, CPM embarked on a Supplier Assessment process. The process was well received by the Suppliers who participated and lays the foundation for CPM to extend the number of participants so that further analysis can be conducted in future reports. Ultimately the further analysis will help guide CPM to better understand its supply chain and the compliance by our Suppliers with the Act.

CPM also notes the review of the Modern Slavery Act that was conducted in 2023, the introduction of a new Anti-Slavery Commissioner and the future reforms that will take place as a result.

CPM is currently considering the recommendations made as part of the review and whether any of these can inform CPM's future actions in 2024 and beyond. Notably, CPM consider the introduction of the Anti-Slavery Commissioner as a very positive step in Australia's evolution in combatting Modern Slavery and we look forward to the support and guidance that the Commissioner will provide businesses in the mining and resources space.

Appendix 1: Reporting Criteria

Each section of the CPM Modern Slavery Statement 2021 is aligned to the mandatory reporting criteria required under the *Modern Slavery Act 2018* (Cth) (“Act”).

Reporting criteria	Section this is covered
Section 16(1)(a) Identify the reporting entity	Reporting Entity, page 1
Section 16(1)(b) Describe the reporting entities structure, operations and supply chains	Reporting Entity, page 1 Our Operations, page 6-7 Our Supply Chain, page 8-9
Section 16(1)(c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or control	Risk in Operation and Supply Chain, page 10-12
Section 16(1)(d) Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address the risks, including due diligence and remediation processes	Due Diligence, page 13-15 Remediation, page 16
Section 16(1)(e) Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks	Assessing Effectiveness, page 17
Section 16(1)(f) Describe the process of consultation with: (i) any entities that the reporting entity owns or controls (ii) in the case of a reporting entity covered by a statement under section 14 - the entity giving the statement	Consultation, page 18
Section 16(1)(g) Include any other information that the reporting entity, or the entity giving the statement, considers relevant	Looking Forward, page 19