



Simcoa's Modern Slavery Statement meets the requirements of the Australian Modern Slavery Act (2018) and describes the steps that Simcoa takes to ensure it complies with its obligations under the Act.

The report period for this statement is from the 1 January 2022 to 31 December 2022

Contents

1. Our Approach	3
2. The structure, operations, and supply chains of Simcoa	3
2.1 Corporate Structure	3
2.2 Overview of Simcoa Operations	4
2.3 Procurement at Simcoa	5
2.4 Supply Chain	5
3. Our Modern Slavery Risks	5
3.1 Operations	6
3.2 Supply Chains	6
4. Our approach to mitigating modern slavery risks	6
4.1 Governance and Management	6
4.2 Policies and Procedures	6
4.3 Due Diligence	7
4.4 Awareness and Training	8
5. Assessing the effectiveness of Simcoa actions:	8
5.1 Engagement	8
5.2 Governance and Management - Continual Improvement	9
5.3 Policies and Procedures	9
5.4 Due Diligence	9
5.5 Remediation	9
5.6 Awareness and Training	9
5.7 Continual monitoring and reviewing to ensure effectiveness	9
6. Process of consultation	10
7. Approval	10

1. Our Approach

Silicon Metal Company Pty Ltd and Simcoa Operations Pty Ltd ("**Simcoa**") is a proud Australian Company that has been operating since December 1989. Simcoa has a strong focus on the health, safety and welfare of its employees and contractors and the broader community. Simcoa is a customer focused company, so its commitment to quality is fundamental. Simcoa also endeavours to do whatever it can do to reduce the impact of its operations on the environment.

Simcoa is committed to respecting and upholding the human rights of its people, customers, suppliers, and all other stakeholders that Simcoa interacts with, in line with the United Nations Guiding Principles on Business and Human Rights.

In keeping with this overall approach, Simcoa continually reviews implemented policies and procedures to ensure it identifies modern slavery risks within Simcoa's business operations and supply chains.

The Australian Modern Slavery Act 2018 ("**Act**") requires certain businesses to disclose their efforts to address the issues of forced labour and human trafficking in their business operations and supply chains. Simcoa recognises the importance of the Act to identify risks to ensure Simcoa is not exploiting individuals for profit.

Simcoa Operations Pty Ltd does not own or control any other entities and therefore this Modern Slavery Statement (Statement) is made by Simcoa Operations Pty Ltd ACN 009 064 65 and Silicon Metal Company of Australia Pty Ltd ACN 009 401 73 for the reporting period from the **1 January 2022 to 31 December 2022**. This Statement was approved by the Board of Simcoa Operations Pty Ltd and endorsed by the Board of Silicon Metal Company of Australia Pty Ltd.

2. The structure, operations, and supply chains of Simcoa

2.1 Corporate Structure

In 1996 Simcoa was purchased by Shin-Etsu Chemical Co., Ltd. ("**Shin-Etsu Chemicals**") of Japan, a strong and resilient parent company. Shin-Etsu Chemicals was founded in 1926. Shin-Etsu Chemicals is a chemical manufacturer. The company is committed to ensuring all its group members uphold the human rights of its people, customers and suppliers as they carry out their business activities in strict accordance with the principal labour standards of the International Labour Organisation ("**ILO**").

The Australian companies comprising the Simcoa Group ("**Simcoa**") owned by Shin-Etsu Chemicals are Silicon Metal Company of Australia Pty Ltd, Simcoa Operations Pty Ltd, Microsilica Pty Ltd and Simcoa Mines Pty Ltd. Two of Simcoa's Board members reside in Japan. Three other Board members reside in Australia. One of the Australian resident Board members is Simcoa's Managing Director, who manages day to day operations.

2.2 Overview of Simcoa Operations

Simcoa is one of the largest and most modern silicon smelters in the world. Simcoa is Australia's only silicon manufacturing company and is committed to producing a superior, high quality silicon metal to meet the exacting needs of its customers. Simcoa is an Australian-based company located at 973 Marriott Road Wellesley, WA, 6233. Simcoa Operations operates the only fully integrated silicon metal production plant in the world and has approximately 194 employees located at its site at Kemerton WA. Simcoa Mines operates the mine near Moora, WA and has 13 employees.

Simcoa Operations' and Simcoa Mines' Managing Director sits at Kemerton.

Simcoa's furnace operation was commissioned in December 1989. The industrial site consists of a sawmill; two charcoal retorts; three submerged arc electric furnaces; a filter house (for cleaning the furnace off-gases); a product handling plant and baghouse (for product packaging and despatch); as well as site services including a laboratory, and administrative and maintenance areas.

This modern plant uses the highest quality raw materials – low ash charcoal made from timber residues, coal and a high purity quartzite. With highly skilled operators and technical expertise, Simcoa's product is unique in terms of consistency and quality.

The high purity quartzite for the silicon smelter is quarried from a mine operated by Simcoa Mines at Moora, 180kms north of Perth. The quartzite deposit contains more than two million tonnes of proven reserves and at least a further four million tonnes in the indicated and inferred resources categories.

Transport of quartz from the mine to the Kemerton plant is via the major north-south railway line, located adjacent to the Moora Mine. Kemerton is also situated close to a major highway route with direct access to Western Australia's major port facility at Fremantle.

The wood used to manufacture charcoal is a mixture of forest residues (from third party bauxite mine clearing and commercial logging) and sawmill off-cuts.

Today Simcoa is capable of producing in excess of 50,000 tonnes of high purity silicon annually. In addition, approximately 14,000 tonnes of Microsilica (silica fume) are extracted from the furnace off-gases and sold as a by-product.

Simcoa exports 85% of its product.

Some examples of what silicon is used for are:

- Silicon Chips
- Solar Panels
- Optical Glass
- Aluminium
- Silicones

2.3 Procurement at Simcoa

During the reporting period Simcoa's purchases of goods and services were approximately 24% from overseas, and 76% from within Australia.

In 2022, our major expenditure categories included:

- Electrodes
- Coal
- Timber
- Silicon Remelt

Our higher risk countries of origin in terms of modern slavery risk are:

- China
- Poland
- India
- Thailand

2.4 Supply Chain

Simcoa has four employees in the Purchasing department, all of whom are located at its Kemerton office, namely two Stores Officers, one Purchasing Officer and a Procurement Supervisor.

We understand that because the entirety of our supply chain stretches across borders and sectors, we may carry elevated risks in terms of modern slavery.

3. Our Modern Slavery Risks

Simcoa is not aware of any modern slavery practices in its own operations or supply chains. However, Simcoa continually seeks to ensure its suppliers uphold the highest standards expected of them. Simcoa maintains a zero tolerance of any slavery in its operations or supply chains.

3.1 Operations

Simcoa's employees and contractor labour workforce are 100% located in Western Australia. Simcoa is confident that, as a result of recruitment, remuneration and compliance programs, there is a very low risk that any of their employees or contractors are either enslaved or non-compliant with modern slavery proscriptions. During the reporting period from 1 January 2022 to 31 December 2022 our operational status has not changed. Simcoa Operations only operates in Western Australia (Moora and Kemerton).

3.2 Supply Chains

Our approach to managing modern slavery risk largely involves assessing supply chain risk on product, sector, geographic and entity bases. Certain industries and product types are more exposed to modern slavery risk than others. Simcoa's vetting and the selection of its suppliers and subcontractors for the purchase of goods and services are carried out in accordance with Simcoa's Code of Conduct and Human Rights Policy. As mentioned above, Simcoa has assessed and identified four countries in our supply chain that potentially have medium to high risk of modern slavery practices.

4. Our approach to mitigating modern slavery risks

4.1 Governance and Management

The Simcoa Boards of Directors have ultimate responsibility for Simcoa's approach to human rights, including risks of modern slavery. Included in the Simcoa Management team is our Managing Director, who resides in Australia at Simcoa, Kemerton, and approves all policies and procedures in relation to modern slavery. Supporting the Managing Director is a Working Team that oversees policies, management systems, performance, reporting and compliance related to health, safety, environmental, community and human rights. Simcoa's Working Team consists of the Director / Vice President – Site Services & Marketing, Procurement Supervisor, Finance Manager, and Human Resource Superintendent. The Working Team is responsible for upholding policies and implementing management controls that relate to human rights and modern slavery.

4.2 Policies and Procedures

Simcoa's approach to managing human rights issues, including modern slavery, is supported by a framework of policies and procedures which have been reviewed and specifically include modern slavery. These include a

Human Rights Policy - respect human rights perpetually in accordance with the International Code of Conduct, which in turn follows:

- the Universal Declaration of Human Rights
- International Labour Standards (ILO)
- the United Nations Guiding Principles of Business and Human Rights
- the United Nations Global Compact's 10 Principles

The policies below set out our commitment to human rights and addressing modern slavery potential risks in our operations and supply chains.

Policy	Description
Code of Conduct	Outlines Simcoa's commitment to conducting business in an ethical and transparent manner.
Simcoa Whistle-blower Policy	Intends to promote a workplace where everyone feels safe, supported, and encourages employees to disclose and share concerns.
Human Rights Policy	Outlines Simcoa's commitment to upholding internationally recognised human rights and complying with all applicable human rights laws.
Simcoa's Procurement Code of Ethics Policy	Outlines Simcoa's commitment to conduct its business in an ethical manner when it comes to the selection of our suppliers. Outlines the standards, we expect our suppliers to adhere to. Requires Simcoa to ask suppliers for a Modern Slavery Statement (if applicable).
Simcoa's Modern Slavery Remediation Policy	Outlines the Modern Slavery remediation process if a Simcoa employee identifies a potential modern slavery risk. This policy defines the escalation procedures if modern slavery risk is identified.
Simcoa's Compliance Reporting and Consultation Systems	Simcoa's Compliance Reporting and Consultation Systems allow all employees to report any unlawful and unethical practice.

4.3 Due Diligence

Simcoa will continue to regularly implement the identification, evaluation, preventative / corrective measures, investigation, monitoring and information disclosure of human rights risks in accordance with the Human Rights Policy.

Simcoa has implemented a Modern Slavery risk identification and supplier due diligence process outlined below:

The Modern Slavery risk identification and supplier due diligence process includes:

Supplier Identification. Risk assessment to identify any potential risks for any of the categories of supplier set out below. After risk assessment is complete and if the supplier is deemed to be high or very high risk then

further checks to be determined prior to commencing any business. Senior Management approval is required for any supplier with a high or very high-risk assessment.

- a. New Supplier – Supplier due diligence checking process. This requires new suppliers to complete a pre-qualification Questionnaire and supply master sheet.
- b. Existing Supplier - Supplier due diligence checking process. This requires suppliers to complete and re-sign a pre-qualification Questionnaire and supply master sheet, conducted annually.
- c. Contract Renewal - Supplier due diligence checking process. This requires suppliers to complete and re-sign a pre-qualification Questionnaire and supply master sheet.

4.4 Awareness and Training

In the reporting period Simcoa launched initiatives to raise awareness of modern slavery including a workshop via PWC for the leadership team at Simcoa. The objectives of the workshop were:

- What is modern slavery and business's role in respecting human rights?
- What is required under the Australian Modern Slavery Act (and upcoming changes)?
- How to recognise and manage modern slavery risks in operations?
- How to recognise and manage modern slavery risks in supply chains?
- Opportunities for Simcoa to uplift its modern slavery response.

5. Assessing the effectiveness of Simcoa actions:

In FY2022, Simcoa focused its efforts of understanding supply chains risk and educating key personnel in relation to this risk. Simcoa will continue to assess and address modern slavery risk in operations and supply chains in the difficult and complex process by implementing the following:

5.1 Engagement

Our Procurement team will engage with other organisations and industry peers to share best practices; and our modern slavery Working Team has engaged with our shareholder on our modern slavery reporting and responded to questions and feedback.

5.2 Governance and Management - Continual Improvement

Continually undertake an annual review to amend and update Simcoa's suppliers and supply chain risk profile.

5.3 Policies and Procedures

Review, implement, revise, and update our Modern Slavery policies and procedures to assess and manage modern slavery risk.

5.4 Due Diligence

Continually complete, update and modify Simcoa's Modern Slavery risk identification and supplier due diligence process by ensuring that all our supplier's complete questionnaires and provide Simcoa with their Modern Slavery statements (if applicable). Also have discussions with Suppliers to make sure that they are aware that Simcoa does not tolerate and will not conduct business with any business that is involved in modern slavery in any form.

5.5 Remediation

Continue to review and enhance our process for investigating allegations of modern slavery, including monitoring the progress of relevant suppliers as part of our ongoing risk reviews and assessments with a view to ensure continuous improvement.

5.6 Awareness and Training

Develop, implement, and roll out continuous modern slavery training for our Procurement team and Management team, focused on modern slavery supplier risk identification, assessment and due diligence processes, and incident reporting and investigation.

5.7 Continual monitoring and reviewing to ensure effectiveness

Simcoa's Working Team to undertake an annual review assessing the effectiveness of our modern slavery approach and processes, with a view to achieve continuous improvement.

6. Process of consultation

Simcoa adopts a team-wide approach to the management of modern slavery risk. By engaging with key internal stakeholders and functional leads we are engaging with personnel who can provide information to inform this approach.

7. Approval

This statement was endorsed by Silicon Metal Company of Australia Pty Ltd and Simcoa Operations Pty Ltd Executives and approved by the Board of Simcoa Operations.



Mr Kikuo Nakajima
MANAGING DIRECTOR