



ME ELECMETAL AUSTRALIA PTY. LTD.

MODERN SLAVERY STATEMENT

FY2020

This publication is the Modern Slavery Statement (**'Statement'**) of ME Elecmetal Australia Pty. Ltd. (ABN 46 167 574 478) (**'ME Elecmetal Australia'**) for the calendar year ended 31 December 2020 (**'Reporting Period'**).

This Statement is made pursuant to the Australian Modern Slavery Act 2018 (Cth) (**'Act'**) and has been approved by the ME Elecmetal Australia Board of Directors (**'Board'**), its principal governing body.

ME Elecmetal Australia is **not required** under the Act to file this Statement for the Reporting Period but has **voluntarily elected to make and file this Statement** as a means of demonstrating to its customers and other business partners and stakeholders its commitment to the principles of the Act.

REPORTING ENTITY, STRUCTURE, OPERATIONS AND SUPPLY CHAINS

REPORTING ENTITY AND STRUCTURE

ME Elecmetal Australia is the 'reporting entity' (as defined in the Act) covered by this Statement and the terms **'we'**, **'us'** and **'our'** refer to ME Elecmetal Australia.

ME Elecmetal Australia is ultimately owned and controlled by Compania Electro Metalurgica S.A., a Chile company. ME Elecmetal Australia has no Australian shareholders and no subsidiaries.

ME Elecmetal Australia has the following current general business structure:

- The ME Elecmetal Australia Board consisting of:
 - Chairperson (non-executive)
 - Directors x 3

- The ME Elecmetal Australia Executive Team consisting of:
 - "Managing Director" (non-Board member as of time of submission)
 - 3 x Regional General Managers (East Australia, West Australia and AsiaPac)

OPERATIONS

ME Elecmetal Australia has direct business operations in Australia and parts of Asia Pacific We provide a range of products and services (**'Integral Solutions'**) to mineral processors in the mining industry which improve the efficiency, effectiveness and durability of mineral crushing and grinding equipment and tools. Our Integral Solutions include procurement, distribution and servicing of products that have been procured both locally and overseas.

SUPPLY CHAIN

Our supply chain includes providers of finished products, component parts, and consumables for the equipment we sell. Our direct suppliers are located in Australia and at least 2 foreign countries. Two of our key direct foreign suppliers are affiliated companies within our same global corporate group which are based in China and the USA and serve as supply intermediaries to us with respect to other foreign suppliers.

RISKS OF MODERN SLAVERY PRACTICES IN ME ELECMETAL AUSTRALIA'S OPERATIONS AND SUPPLY CHAINS

We have taken the following substantive actions in the Reporting Period or prior to the date of this Statement to identify risks of modern slavery –

1. We engaged Compliance Pronto, an external consulting services provider, to provide assistance in the journey of identifying and assessing key modern slavery risks.
2. We developed a Human Rights Policy and Supplier Code of Conduct (“SCC”) and linked those to our owner group’s existing whistle-blower policy. The Human Rights Policy and SCC each specifically address the need to be vigilant on modern slavery issues, while the whistle-blower policy strongly encourages employees to report all violations, and ensures there will be no negative repercussions for doing so.
3. We created specialised and more robust modern slavery contract warranties and covenants and incorporated them into our SCC. These are designed to help raise and highlight red flags that could indicate potential higher modern slavery risk in our supply chain and include recommendations that such clauses be “cascaded” by our affiliated and non-affiliated suppliers into their procurement contracts with their respective suppliers.
4. We created and sent a tailored communication to our key direct suppliers to (a) introduce the purpose of the SCC and (b) seek initial responses to some fundamental modern slavery transparency questions designed to help us begin to validate and assess the potential modern slavery risk of each of those suppliers.
5. We integrated signing of the supplier code of conduct into our supplier onboarding and renewal processes.
6. We prepared a modern slavery training and awareness communication and presentation and distributed it internally.

MODERN SLAVERY RISKS IDENTIFIED

No modern slavery risks were identified in our Australian operations. Modern slavery risks identified to date in our foreign supply chain relate primarily to (a) incomplete mapping of the supply chain into the second tier suppliers and beyond, which impedes risk identification and assessment of indirect suppliers, and (b) lack of transparency into the labour practices of non-affiliated suppliers at all levels of the supply chain. We believe these are mainly attributable to being at the beginning of our journey to identify and eradicate or mitigate modern slavery risks in our supply chain.

ACTIONS TAKEN OR TO BE TAKEN TO ADDRESS RISKS

In response to the risks identified in our supplier due diligence process, the principal actions to be taken in the period subsequent to the Reporting Period will be:

- Monitor and evaluate 6 actions noted above and assess whether and to what extent any additional follow up is required, sensible and feasible in the circumstances; and create an action plan to implement any such follow up as may be determined in each relevant case.
- Consideration as to whether additional supply chain mapping is warranted at this time and, if so, what that might look like.
- Consideration as to whether further / deeper due diligence may be required in respect of certain suppliers.

ASSESSMENT OF THE EFFECTIVENESS OF ACTIONS TAKEN OR TO BE TAKEN

As the actions noted above come to fruition, it is our intention to regularly assess to what extent the actions we have taken have been effective in helping us to identify, assess and eliminate or mitigate modern slavery risks in our operations and supply chain.

GROUP CONSULTATION PROCESS

ME Elecmetal Australia does not own or control any other members of its corporate group and is making this statement only on its own behalf.

OTHER RELEVANT INFORMATION

ME Elecmetal Australia strongly supports fundamental human rights and the prevention of modern slavery and human trafficking. The actions noted above in this Statement have highlighted that fact, greatly enhanced our understanding of the importance of increasing our visibility into such an important aspect of our supply chain, and engendered a desire to continue this journey

Ensuring that slavery and human trafficking is not taking place anywhere in our supply chain, and especially at tiers beyond our direct suppliers, will likely remain a significant challenge for the foreseeable future. However, we are implementing a risk-based approach and are committed to achieving continuous improvement through the actions described in this Statement, including providing modern slavery training to our own employees.

We are also taking steps to strengthen our supplier onboarding and monitoring processes to highlight modern slavery risk areas. The processes that we will implement includes enhanced engagement with our direct suppliers.

APPROVAL OF STATEMENT

The Board of Directors of ME Elecmetal Australia, its principle governing body, has approved this Statement and authorised David Crosbie, Managing Director, on 30 June 2021 as the responsible executive of ME Elecmetal Australia to sign this Statement in accordance with the Act.



David Crosbie, Managing Director