

Modern Slavery Statement

Reporting period 1 July 2023 – 30 June 2024

Context

This statement outlines the identified risks as well as strategies implemented with a view to controlling the risks of modern slavery in connection with Molycop's Australian operations and supply chains.

This statement has been prepared and submitted pursuant to the requirements of [Modern Slavery Act 2018 \(Cth\)](#) (MS Act).

Molycop is dedicated to upholding internationally recognised human rights and ensures it and its supply chain partners:

- Uphold international human rights
- Promote non-discrimination and respect
- Prohibit child and forced labour
- Uphold a harassment-free workplace

Identify the reporting entity

In the 2023/2024 financial year, Molycop operated four wholly owned corporate entities operating or carrying on business in Australia; namely:

Entity Name:	Australian Company Number (ACN):
Grinding Media Pty Ltd (Grinding Media)	615 611 759
Commonwealth Steel Company Pty Ltd (CSC)	000 007 698
Donhad Pty Ltd (Donhad)	009 009 054
Molycop Technologies Pty Ltd (Molycop Technologies)	154 346 004

Grinding Media Pty Ltd operated as a holding entity with CSC, Molycop Technologies and Donhad as subsidiary companies.



These entities function collectively for Molycop, predominantly under the 'Molycop' and 'Comsteel' brands. CSC and Molycop Technologies are the primary entities for transactional and operational matters.



All registered business names for Molycop in Australia were attached to CSC (ABN: 58 000 007 698) and Molycop Technologies (ABN: 85 154 346 004) and comprised the following:

- Molycop
- Comsteel Grinding Media
- Molycop Australia / Australasia
- Process IQ
- Comsteel
- PIQ

In the 2023/2024 financial year, Grinding Media Pty Ltd had a consolidated revenue – incorporating that generated from CSC, Donhad and Molycop Technologies that renders it a reporting entity under the Modern Slavery Act.



Molycop's operations

Molycop is an international organization and market leading supplier of forged grinding media and associated services in the world.

The Molycop group:

- Coordinates functions under a US registered & based parent company, AIP MC Holdings LLC, and
- Has business operations in multiple regions including the Americas, Europe and Australasia.

Each region operates with a degree of autonomy but with shared resources (such as global support teams, policies and procedures) and common senior leadership structures to ensure consistency in functionality and coordination of activities.



Figure 1: Overview of Molycop corporate group global operations and locations

Molycop Australia

The Australian Molycop entities are proprietary limited companies constituted under the [Corporations Act 2001 \(Cth\)](#) – Grinding Media, CSC, Donhad and Molycop Technologies (collectively, **Molycop Australia**). All operations are conducted by CSC and Molycop Technologies.

At present, Grinding Media and Donhad are both non-operating entities.

The directors of CSC and Molycop Technologies are senior executives within the broader Molycop corporate group.

Manufacturing and sale of steel products are the focus of CSC's operations, having been established in Australia for over 100 years, with a product portfolio comprising of steel grinding media, railway wheels and other specialist steel goods.

Molycop Technologies is a digital services company providing instrumentation and software technologies to improve throughput, recovery and efficiency for mineral processing plants.

As at 30 June 2024, Molycop Australia had 383 employees working in Australia.



Most employees are based at the Newcastle or Perth workplaces. Typical and indicative skilled roles performed by employees include; plant operators, trades, apprentices, and professional support staff including engineers metallurgists, sales, procurement and functional support from finance, legal information technology, marketing and human resources.

Note on major operational change mid 2023/2024

Mid-way through the 2023 / 2024 period, Molycop Australia underwent a significant change to its operations when it placed its Newcastle-based Steelmaking and Bar Manufacturing facilities into care and maintenance. Newcastle-based product manufacturing (predominately grinding media and railway wheels) continued, however, these operations transitioned to converting imported semi-finished steel feed.

This change resulted in a significant alteration to Molycop Australia's supply chain, with imported semi-finished steel goods (bar and bloom) and finished grinding media becoming dominant categories in the second half of the year, displacing recycled steel and steelmaking raw materials from the first half.

Molycop Australia's supply chain

In the 2023 / 2024 financial year, Molycop Australia procured goods and services as follows:

Breakdown of Molycop Australia spend by categories 2023 / 2024

Steel scrap – primary input for EAF Steelmaking	20%
External steel feed – supplier purchased steel bar / bloom	22%
Finished Goods – supplier purchased HiCr	6%
Finished Goods – Internally purchased Forged Ball	5%
Raw materials – such as coke, limestone, steel alloys, refractories	6%
Energy – electricity and gas	7%
Labour – all Australian staff	18%
Freight and logistics – including shipping, rail and road transport	4%
Services – including facilities, operational and contract labour	5%
Maintenance, Repairs and Operations (MRO) – supplies, like machine parts, packaging and other operational consumables	3%
Communications – comms, IT and technologies	1%
Other	3%
Total	100%

Table 1 - breakdown of supplied good costs contributing categories 2023 / 2024, Molycop Australia



Governance

Molycop employs a range of governance mechanisms to ensure that its business is conducted to the highest ethical and legal standards. Several of these governance mechanisms (noted below) directly assess and address the potential risk of modern slavery within Molycop's operations and its supply chain.

Action / Mechanism	Relevance to Modern Slavery	Implementation
Molycop Code of Conduct	<p>Molycop's <i>Code of Conduct</i> sets the expected standards for any work performed in connection with the operations of the Molycop group.</p> <p>Of note, it expressly references that modern slavery presents significant legal and ethical issues and that such practices will not be tolerated within or by Molycop.</p>	<p>Molycop's <i>Code of Conduct</i> is publicly available and every Molycop employee is trained in / inducted to these principles upon employment.</p> <p>Non-compliance to the principles within the code, trigger a structured investigation and where non-compliance is proven appropriate discipline (up to and including termination) is effected.</p>
Supplier Code of Conduct	<p>Molycop's <i>Suppliers Code of Conduct</i> (released in December 2024) sets out requirements that all parties who are doing business with Molycop are expected to fulfil. Specifically covered are human rights and labour practices, where suppliers agree to:</p> <ul style="list-style-type: none">• Uphold international human rights• Prohibit child and forced labour• Non-discrimination and respect in employment• Uphold a harassment-free workplace	<p>Molycop's <i>Supplier Code of Conduct</i> is publicly available and is issued to every Molycop supplier.</p> <p>If a supplier fails to adhere to these requirements, Molycop will attempt to develop and implement remediation with the supplier, but also reserves the right of termination with immediate effect.</p>
Work Health, Wellbeing and Safety Policy	<p>Molycop's <i>Work Health, Wellbeing and Safety Policy</i> demonstrates a commitment to achieving a world class safe and healthy working environment and safety culture. Molycop also recognises that mental health, the often-unseen injury and illness, is an important part of our safety culture and environment.</p>	<p>Molycop's <i>Work Health, Wellbeing and Safety Policy</i> is publicly available and every Molycop employee is inducted into these principles upon employment. Any breach to these expectations is investigated as a matter of utmost seriousness and may result in disciplinary action.</p>
Whistleblower Policy	<p>Molycop's <i>Whistleblower Policy</i> ensures a pathway for employees, suppliers or other associates of Molycop to freely report suspected Modern Slavery practices without fear of retaliation.</p>	<p>Molycop's <i>Whistleblower Policy</i> is publicly available and Molycop maintains an <i>Ethics & Integrity Channel</i>, accessible via its website, to facilitate notification.</p>
Third Party Due Diligence Policy and Procedure	<p>Molycop's <i>Third Party Due Diligence Policy and Procedure</i> affirms Molycop's commitment to adhering to high standards of business conduct whilst complying with local and international law.</p> <p>The procedure includes a comprehensive checklist to evaluate risks associated with engaging third parties, with specific consideration given to modern slavery risks, as identified through the public sources of information including the Global Slavery Index.</p>	<p>Those Molycop personnel who engage or transact with third parties are inducted into Molycop's <i>Third Party Due Diligence Policy and Procedure</i>.</p> <p>This drives competence and compliance to properly fulfil Molycop's third party due diligence requirements and to enhance compliance and address emerging concerns effectively. During the reporting period, Molycop implemented a new monitoring tool (NAVEX) to assess and track the risk profiles of third parties on an ongoing basis.</p>



Modern slavery risk in Molycop Australia's operations and supply chain

While there have not been any known instances or reports of Modern Slavery occurring in connection with the operations of Molycop Australia (or the global Molycop Group), we note that several material elements of the supply chain include procurement from industries and geographic locations that carry modern slavery risk.

Two reference points are used by Molycop Australia to identify inherent modern slavery risks:

1. The country of origin of the goods or services; and
2. The product category or industry.

Molycop Australia has undertaken detailed considerations of its operations and supply chains in the context of these two reference points to identify and assess modern slavery risks.

The transition in Molycop Australia's operations throughout 2023 / 2024 (noted above and throughout this report) has led to a far greater proportion of steel goods being imported from the APAC region resulting in a change to modern slavery risk exposure with the increased levels of steel imports and international shipping and logistics.

Molycop recognises the inherent risks within the complex layers of its supply chain, particularly in the lower tiers, where visibility and influence are more limited. To address these challenges, in 2024 Molycop has implemented strong controls and robust processes to identify and mitigate potential risks. Additionally, an automated monthly monitoring system has been established to screen the supply chain on a continuing basis. This system enables Molycop to promptly detect any changes in risk ratings and take swift action to mitigate emerging risks.

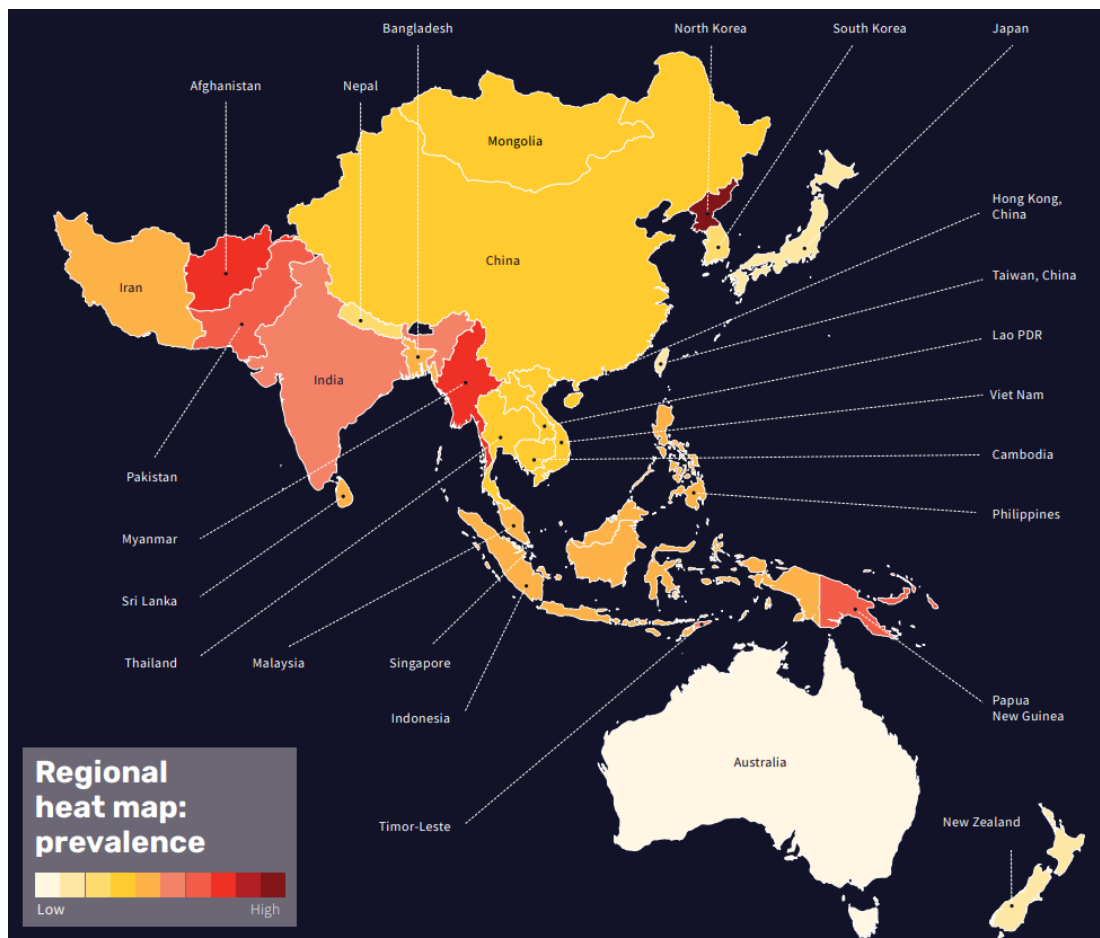


Table 2 - source: <https://cdn.walkfree.org/content/uploads/2023/05/24145725/GSI-2023-Asia-Pacific-Regional-Report.pdf>



Potential risks within Molycop Australia's operations

Molycop Australia's operations are predominantly performed from sites within Australia, which has a low modern slavery prevalence rate. Molycop notes the various legal protections which prohibit modern slavery practices within Australia, and the extensive proactive engagement on workplace rights and entitlements by bodies including government agencies, not for profit organisations and unions.

Potential risks within Molycop Australia's supply chain

Product Category	Description of exposure	Country of origin / risk	Molycop controls	Residual risk
Molycop supplied imported grinding media	Molycop Australia imports grinding media from within the global Molycop corporate group, particularly from Molycop Indonesia	Predominately Indonesia, which carries a moderate regional-based Modern Slavery risk	Molycop Indonesia is governed by the same policies, procedures and structures as Molycop Australia with respect to operations and supply chain. *Molycop Indonesia operations possess low modern slavery risks however steel feed is procured from the same overseas suppliers referred to below	Moderate*
Imported semi-finished steel feed (bar / bloom)	Imported steel products have known modern slavery risk factors, depending on the region of origin, and the complexities of its upstream supply chain.	The majority of Molycop Australia's imported steel feed was from China. The inherent modern slavery risk associated with Chinese-sourced steel feed is considered moderate but is regionally dependent.	Molycop operates a global trading office (based in Singapore) which leverages significant steel procurement expertise. Each Molycop supplier is audited by procurement experts. Each supplier is also required to complete an annual information request, which includes queries specifically designed to test modern slavery risks. ¹	Moderate
Third-party supplied imported grinding media		Molycop Australia imported finished grinding media from both China and India in 2023 / 2024. India, compared to China, has an elevated modern slavery risk, and carries an inherently high risk.		High - Moderate
International Freight and logistics	There is a medium to high risk of labour exploitation and modern slavery in shipping and logistics	Molycop utilises bulk and container freight companies from various supply locations, including those with moderate modern slavery risks	Molycop carries out third party due diligence screening prior to engaging freight and logistics companies	Moderate
Steel scrap	The supply chains of recycled materials are complex and, in some locations, associated with high risks of modern slavery	Molycop Australia procured the steel scrap used for production from within Australia for the 2023 / 2024 period	Australia has a low modern slavery prevalence rate and scrap was procured from sophisticated regular suppliers	Low
Steelmaking raw materials	The supply chains of raw steelmaking materials are complex, difficult to comprehensively track, and, in some locations, associated with high risks of modern slavery	Raw materials, even if secured overseas and through an intermediary broker, are generally from sophisticated regular suppliers (many of which are known large or global businesses) that have worked with Molycop Australia for many years	In the 2023/2024 financial year raw materials were predominantly sourced from existing vendors with positive engagement demonstrated on relevant compliance standards and expectations	Moderate

¹ There are known significant forced labor risks in the Xinjiang Uyghur Autonomous Region (XUAR) of China, Molycop does not procure goods known to originate from this area



Molycop Australia's actions to assess and manage modern slavery risks

Ongoing supplier and vendor engagement

International Procurement Hub	<p>The Molycop Group operates an international procurement hub based in Singapore.</p> <p>This procurement hub is responsible for international bar and third-party grinding media purchases, and for maintaining steel and related commodity market intelligence.</p> <p>Molycop has a detailed steel product qualification and auditing practice, led by the international procurement hub.</p> <p>Relevant to modern slavery risk this practice includes:</p> <ul style="list-style-type: none">- The training of Singapore / procurement hub staff in modern slavery risk assessment / identification- Periodic in-location, on-site facility and organisational audits and visits, carried out by experienced steel traders, often accompanied by technical staff- Annual auditing which includes a detailed data request, including a section of queries specifically designed to test the supplier against modern slavery risk <p>During on-site audits claims made via the annual data request are validated through observation by procurement hub staff.</p>
Dedicated local procurement team	<p>Molycop Australia has a specialist and dedicated team of procurement and supply chain personnel that lead the supplier and vendor engagement process. This team operates under procurement guidelines which require a compliance qualification process to be undertaken for each new vendor. This process tests, among other factors, a vendor's modern slavery risk. Where a procurement team member identifies an elevated modern slavery risk, additional information can be sourced from the vendor, allowing for further mitigating controls or action by Molycop.</p>
Supplier Code of Conduct	<p>Molycop's <i>Suppliers Code of Conduct</i> specifies requirements with which all business counterparties must comply. Specifically covered are human rights and labour practices, in respect of which counterparties agree to:</p> <ul style="list-style-type: none">• Uphold international human rights• Prohibit child and forced labour• Promote non-discrimination and respect in employment• Maintain a harassment-free workplace
Third Party Due Diligence	<p>Molycop complements its internal risk management processes by drawing on a third party due diligence software tool to assess compliance, including any allegations or adverse media relating to modern slavery. This tool is utilised prior to the commencement of any supply chain engagements originating within jurisdictions with elevated inherent modern slavery risk and monitors suppliers on an ongoing monthly basis.</p>

Ongoing training and education

Global Code of Conduct training	<p>Molycop personnel are provided compliance training and education on an ongoing basis, including awareness of modern slavery risk and controls.</p> <p>In the second half of calendar year 2024, Molycop updated its suite of compliance policies and tools including the Code of Conduct and Supplier Code of Conduct, the Third Party Due Diligence System and [insert compliance videos and other training materials].</p>
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Implementation of Modern Slavery remediation process

Molycop has developed an investigation framework for investigating and remediating compliance breaches including Modern Slavery.

A summary of the process follows:

1) Issue identified	Reports of Modern Slavery can arise from various channels including directly from Molycop employees, from Molycop associates, or via Molycop's whistleblower system – Ethics and Integrity Channel. This platform is prominently featured on all Molycop websites, ensuring it is easily accessible and providing a clear and convenient option for reporting such behaviors, with the additional option to report anonymously for those who prefer full confidentiality. Following an initial report, the Molycop Global Compliance Manager, in conjunction with the Regional Business Lead, will assess if immediate action may be appropriate to address any ongoing or emerging harm.
2) Investigate	<p>The Molycop Global Compliance Manager will assemble an investigation team whose primary objective is the protection of people. Depending on the nature of the issue identified this may involve the use of third party / external specialists in support, or in full.</p> <p>A report detailing findings will be submitted to the Regional Business Lead for further distribution (as appropriate); the report should make recommendations for remediation and note any risk exposures that may have been identified throughout.</p> <p>Risk exposures may be identified even where an issue is found to be unsubstantiated.</p>
3) Design and execute remediation	<p>Remediation should respond to both:</p> <ol style="list-style-type: none"> 1) The needs of the worker(s) through financial compensation, restoration of rights and freedoms, grievance support; and 2) The company(ies) involved in the breach – seeking support to quickly mitigate ongoing acute exposures and to identify potential risk
4) Mitigate common cause exposures	Molycop will identify if general cause(s) or exposures have contributed to the particular instance of Modern Slavery and will seek to identify general remedies to undertake which may include improving Molycop's systems and processes, working collaboratively with suppliers to address the issue and implement corrective actions or the termination of contracts
5) Track, review and report	Molycop will then track the implementation and efficacy of both specific and common remediation efforts recognising that actions often require adjustment to suit changing conditions. Molycop also recognises the importance of sharing learnings and will seek to share general learnings (where appropriate) across its supply chain and peer networks.

Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks

As noted, many of the mechanisms implemented by Molycop Australia to appropriately assess and address potential risks of modern slavery practice in its supply chain include complementary components intended to enable the continual evaluation of the effectiveness of the actions taken.

Key amongst these controls are:

- the development and imposition of supplier questionnaires and Key Performance Indicators for suppliers and vendors (including with respect to their risk and people management systems and strategies)
- Completion of audits and on-site visits by Molycop's procurement and audit teams, focusing on suppliers of steel bar and traded ball. These on-site visits and audits elevate the considerations and on-site verification of workers conditions and enhances Molycop's understanding of regional Chinese and Indian modern slavery risks in the relevant industrial sectors



- Molycop has reinforced the awareness, promotion, and implementation of its Ethics and Integrity Channel, ensuring robust mechanisms for assessing complaints and reports. Notably, no reports or complaints of suspected modern slavery practices were received during the 2023/2024 period
- Providing training and refresher sessions for key staff members, such as procurement officers, to enhance their understanding of modern slavery risks. These sessions focus on identifying potential risks, the appropriate actions to take when risks are identified, and empowering staff with clear guidance and support, reinforced by a strong tone from the top.

In addition to these controls, Molycop has adopted a third-party due diligence process with ongoing screening capability through the NAVEX system for all suppliers.

Describe the process of consultation with any entities the reporting entity owns or controls and in issuing this joint modern slavery statement

In preparing this joint statement for Molycop Australia, the following key steps were implemented:

- Molycop's previous statement was reviewed by the internal project team to identify changes and updates
- Meetings were conducted with key stakeholders across each entity to identify any additional risks, changes and updates, as well as to verify the overall business risk profile and business practices
- Additional relevant information was located and collated by the internal project team in relation to all entities covered by this statement
- The internal project team completed a risk assessment (detailed above) covering, on a materiality basis, Molycop Australia's primary Modern Slavery exposures
- The Boards of CSC and Molycop Technologies, as well as key members of the senior leadership team were provided with a draft version of the statement and afforded the opportunity to consider, verify and provide feedback on the content prior to finalisation and submission.

This statement for Molycop Australia was approved by the board of Grinding Media Pty Ltd as the parent entity on 20 December 2024.

Executed for:

Grinding Media Pty Ltd

ACN: 615 611 759

By the following authorised delegate:

Paul Griffiths

Director

Position:

Signature:

Date: 20 December 2024