

Modern Slavery Statement

Reporting Entity: CMOC Mining Pty Ltd
Reporting Period: 1 January 2020 to 31 December 2020
Approved: 24 June 2021

1. INTRODUCTION

1.1 Modern Slavery Statement

This Modern Slavery Statement (**Statement**) has been prepared pursuant to Section 13 of the Modern Slavery Act 2018 (Cth) (the Act) by CMOC Mining Pty Ltd (ACN 164 997 317), and its controlled entity CMOC Mining Services Pty Ltd (ACN 165 717 895), (**Northparkes**) for the reporting period 1 January 2020 to 31 December 2020.

1.2 Who we are

Northparkes Mines is a copper-gold produced located in the Central West of New South Wales. The copper deposits at Northparkes were first discovered in 1976 and mining commenced in 1993 and has approval to continue until 2032. Since commencement of mining, Northparkes has produced copper and gold from numerous deposits using a range of surface and underground mining methods.

Northparkes was the first mine in Australia to use the highly efficient block cave mining method in 1997 when we achieved full-capacity production from our E26 Lift 1 Block Cave. Then, in 2015, Northparkes laid claim as the world's most automated underground mine when we became the first miner to achieve 100 per cent automation of loaders in our E48 block cave mine.

Today, we continue to produce from our E48 Block Cave mine along with our adjacent E26 Sub-level Cave mine while we progress the construction of our next major underground development, the E26 Lift 1 North Block Cave.

Northparkes has been in continuous production for more than 25 years and its future is underpinned by our vision to achieve 'A century of mining together' and our values of Zero Harm, One Team, Life Balance and Improvement.

1.3 What is Modern Slavery

Modern slavery is defined as including eight types of serious human exploitation: trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour (i.e. situations where children are subjected to slavery or engaged in hazardous work).¹

The Walk Free Foundation has written that 'modern slavery is a complex and often hidden crime that crosses borders, sectors, and jurisdictions' and, together with the International Labour Organization (ILO), estimated that 40.3 million people were living in modern slavery in 2016², including 16 million people in private sector supply chains.

In Australia, it has been reported that the individuals working in agriculture, construction, domestic work, meat processing, cleaning, hospitality and food service industries are more likely to be impacted by modern slavery practices than other industry sectors.³

The 2018 Global Slavery Index, published by Walk Free Foundation, found that 'businesses and governments in G20 countries are importing products that are at risk of modern slavery on a significant scale' and recommended that businesses to directly address the risk of modern slavery in their supply chains by conducting due diligence in supply chains and ensuring the ethical recruitment of migrant workers.

The *Modern Slavery Act 2018* (Cth) (the Act) requires all entities based in Australia, or conducting business in Australia, and having an annual consolidated revenue of \$100 million or greater to assess the risk of modern slavery in their operations and supply chains and publish a modern slavery statement to report on its activities to mitigate and address those risks.

The Act is designed to encourage businesses to take active steps toward the combat modern slavery in operations and supply chains. To this end, at section 16 of the Act requires each modern slavery statement to address the following mandatory criteria:

1. Identify the reporting entity
2. Describe the structure, operations and supply chains of that entity
3. Describe the risks of modern slavery practices in its operations and supply chains including those of the entities it owns or controls
4. Describe the actions taken to assess and address the risks of modern slavery in its operations and supply chains
5. Describe how the effectiveness of those actions is assessed
6. Describe the process of consultation with any entities that the reporting entity owns or controls
7. Include such other information that the entity considers relevant

This is Northparkes' **first** Modern Slavery Statement (**Statement**).

¹ Modern Slavery Act 2018 (Cth) section 4.

² Walk Free Foundation, The Global Slavery Index 2018 (2018, The Munderoo Foundation Pty Ltd).

³ Global Compact Network Australia, Effective Modern Slavery Grievance Mechanisms: A Case Study Publication for Business (March 2021).

Northparkes Mines
A century of mining together

Our values



Zeroharm

Zero Harm is our approach to every aspect of our operations. We care for our people, our environment and the community in which we live and work.



Oneteam

We proudly work together towards our shared purpose.



Lifebalance

We realise the potential in everyone, support their wellbeing and enjoy what we do.



Improvement

We will be better tomorrow, than we are today.

2. MANDATORY CRITERIA

2.1 Identify the reporting entity

The reporting entity is CMOC Mining Pty Ltd (ACN 164 997 317) with registered address at 113 Northparkes Lane, Goonumbla, New South Wales 2870, Australia.

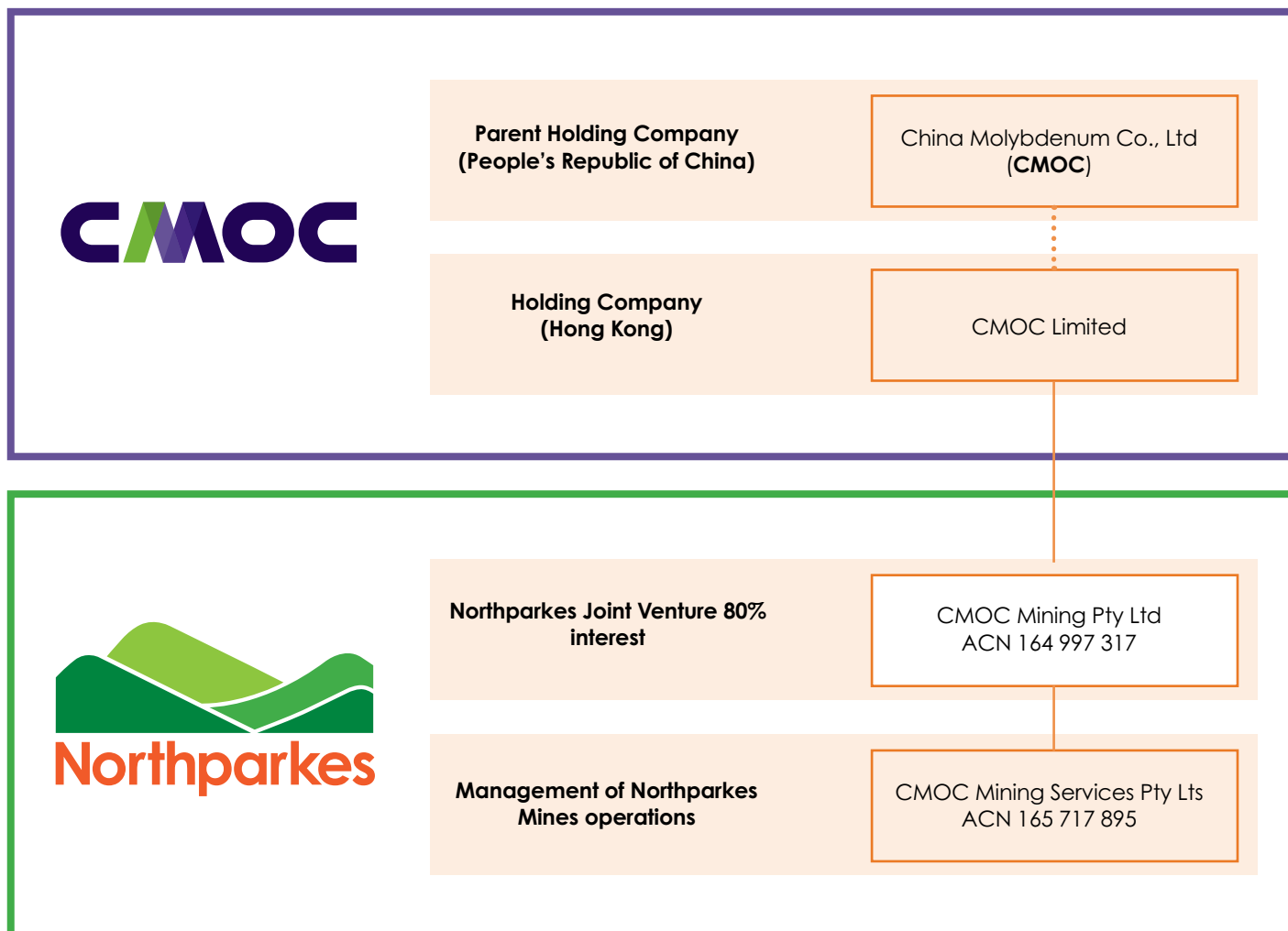
2.2 Describe the reporting entity's structure, operations and supply chains

2.2.1 Structure

CMOC Mining Pty Ltd, an Australian private proprietary company limited by shares, is wholly owned by CMOC Limited (a company domiciled in Hong Kong) and ultimately owned by its parent holding company China Molybdenum Co., Ltd (**CMOC**) a Chinese private holding company listed on the Hong Kong Exchanges (HKEX: 03993) and Shanghai Stock Exchange (SSE: 603993).

CMOC owns an 80% participating interest in the Northparkes Joint Venture, an unincorporated joint venture between CMOC (80%) and various entities of Sumitomo Corporation (20%)⁴. CMOC manages the operations of the Northparkes Joint Venture through its wholly owned subsidiary CMOC Mining Services Pty Ltd, also an Australian private proprietary company limited by shares, under the business name of Northparkes Mines.

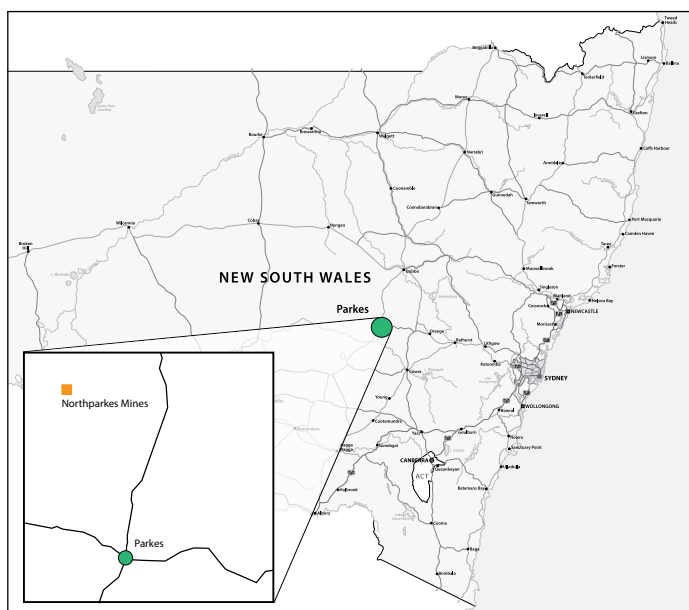
As CMOC carries on its business in Australia through its subsidiary CMOC Mining Pty Ltd by control of CMOC Mining Services Pty Ltd, we collectively refer to CMOC's businesses as CMOC-Northparkes (**Northparkes**).



⁴ The minority participating interests in the Northparkes Joint Venture are Sumitomo Metal Mining Oceania Pty Ltd (13.3%) and SC Mineral Resources Pty Ltd (6.7%) (collectively Sumitomo). This is not a supporting statement for Sumitomo.

2.2.2 Operations

Northparkes operates a copper and gold mine located 27 kilometres north-west of Parkes, in the Central West of New South Wales, Australia. We also undertake further mineral exploration and farming around our mining operations and within our local region.



During the reporting period:

- **Mining** – Northparkes produced 6.48 million tonnes of ore from its two operating undergrounds mines, known as the E26 Sub-level Cave and the E48 Block Cave,
- **Processing** – Northparkes processed 6.49 million tonnes of ore through its surface Ore Processing Plant and shipped 107.7 thousand tonnes of copper concentrate or the seaborne market.
- **7.6Mtpa Expansion Project** – Northparkes progressed construction works for the expansion of its Ore Processing plant with the goal to increase annual throughput capacity to 7.6 million tonnes.
- **E26L1N Block Cave** – Northparkes progressed the construction of its next major deposit.

Northparkes is managed as a fully integrated mining operation with each of the following core functions performed from the mine site:

- Community Relations
- Exploration and life of mine studies
- Mining and Processing operations
- Health, Safety and Environment
- Administration and finance
- Procurement and Supply
- Logistics and Shipping

At 31 December 2020, Northparkes had approximately 450 direct employees.

2.2.3 Supply chains

Northparkes procures goods and services for all aspects of its value chain. As such, Northparkes' supply chain encompasses a range of sectors such as:

- Maintenance labour
- Electrical, safety and industrial consumables
- Mining consumables and explosives
- Processing consumables
- Equipment and spare parts manufacture
- Equipment hire
- Labour hire
- Civil, mechanical and electrical construction labour
- Energy, fuel and hydrocarbons
- Road, rail and ocean freight services
- Professional services and consultants

Northparkes engages the market with a risk and value-based approach with resultant supply contracts ranging from one-off packages for low value and low risk supply up to formal, multi-year agreements for high risk or high value supply.

Throughout 2020, Northparkes sourced over \$300 million in goods and services from approximately 750 suppliers.

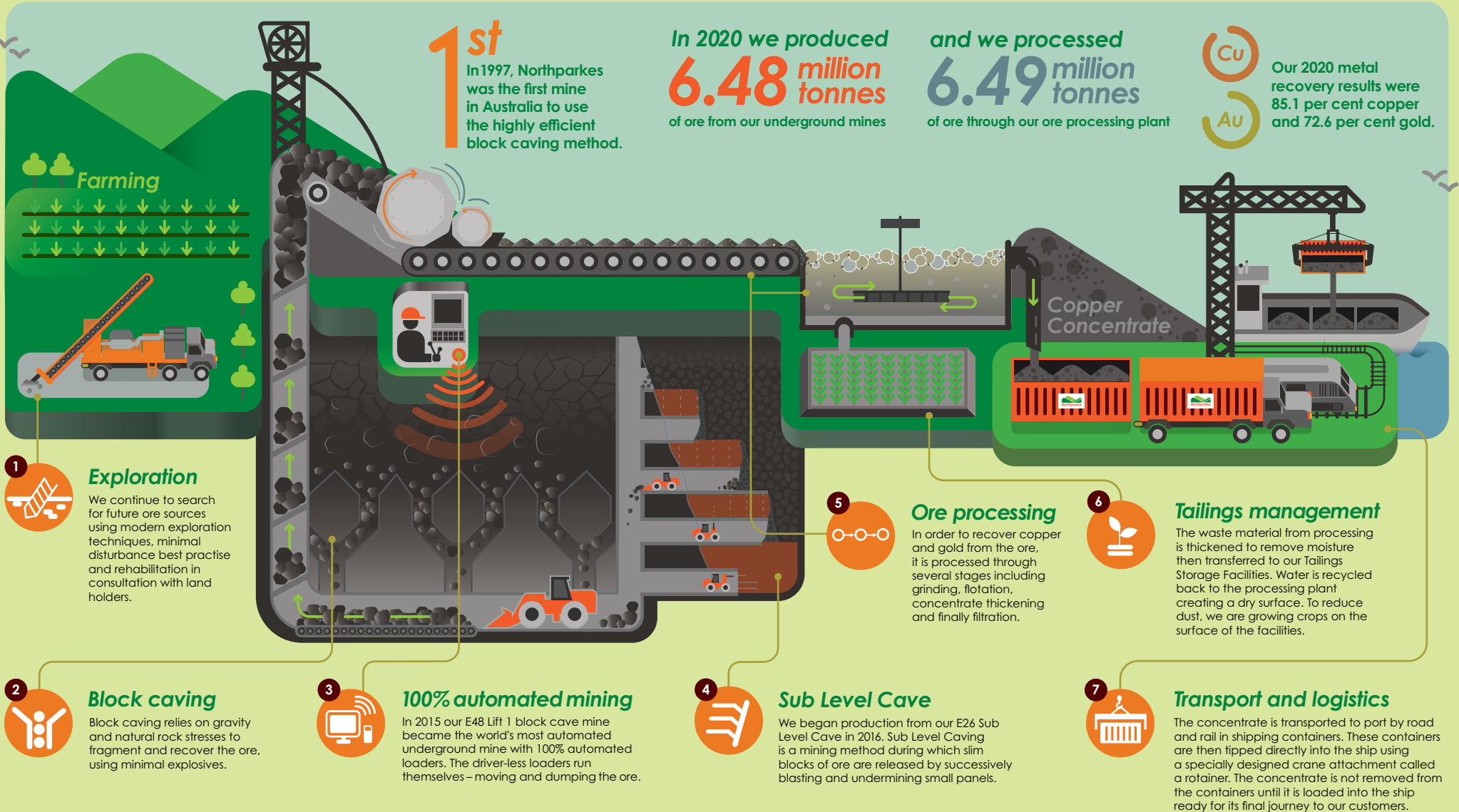
Northparkes Valuechain

1st
In 1997, Northparkes was the first mine in Australia to use the highly efficient block caving method.

In 2020 we produced **6.48 million tonnes** of ore from our underground mines

and we processed **6.49 million tonnes** of ore through our ore processing plant

Cu
Au
Our 2020 metal recovery results were 85.1 per cent copper and 72.6 per cent gold.



1 Exploration
We continue to search for future ore sources using modern exploration techniques, minimal disturbance best practise and rehabilitation in consultation with land holders.

2 Block caving
Block caving relies on gravity and natural rock stresses to fragment and recover the ore, using minimal explosives.

3 100% automated mining
In 2015 our E48 Lift 1 block cave mine became the world's most automated underground mine with 100% automated loaders. The driver-less loaders run themselves – moving and dumping the ore.

4 Sub Level Cave
We began production from our E26 Sub Level Cave in 2016. Sub Level Caving is a mining method during which slim blocks of ore are released by successively blasting and undermining small panels.

5 Ore processing
In order to recover copper and gold from the ore, it is processed through several stages including grinding, flotation, concentrate thickening and finally filtration.

6 Tailings management
The waste material from processing is thickened to remove moisture then transferred to our Tailings Storage Facilities. Water is recycled back to the processing plant creating a dry surface. To reduce dust, we are growing crops on the surface of the facilities.

7 Transport and logistics
The concentrate is transported to port by road and rail in shipping containers. These containers are then tipped directly into the ship using a specially designed crane attachment called a rotator. The concentrate is not removed from the containers until it is loaded into the ship ready for its final journey to our customers.

2.3 Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls

Northparkes does not condone modern slavery practices in its operations or supply chains.

Northparkes promotes fair treatment for all workers, contractors and visitors to its **operations**. However, we procure services from industries identified to be of higher risk of modern slavery practices, being cleaning and construction labour, and acknowledge that modern slavery practices may be difficult to detect.

In our **supply chains**, the risks of modern slavery practices may be more pronounced as we procure over \$300 million in goods and services across a range of products, industries and geographies.

- **Product risks** – The Walk Free Foundation reports that the top 5 imported products to Australia at risk of modern slavery are electronics, garments, fish, rice and cocoa⁵. Therefore, Northparkes has identified that the following products sourced through its supply chains are of increased risk of modern slavery:
 - employee uniforms and personal protective equipment (PPE)
 - laptops, computers and mobile phones
- **Geography risks** – The Walk Free Foundation reports that the Asia/Pacific regions had the highest prevalence of forced labour in the world. Northparkes procures the majority of materials required for its operations from within Australia and the Asia-Pacific region. Therefore, a higher risk of modern slavery practices may be present for products imported from the Asian region. The products sourced by Northparkes from within this region includes:
 - Electrical, safety and industrial consumables
 - Grinding media
 - Mill liners and wear plates
 - Flotation chemicals and reagents
 - Ocean freight

2.4 Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes

Northparkes Mines Code of Conduct applies to all employees, contractors and visitors to Northparkes. The Code of Conduct defines **unacceptable conduct** as including:

- Is unethical, inappropriate or is in breach of the Code or Northparkes Values, policies or procedures
- Does not comply with legal requirements or legislation within Australia or any country that a Northparkes employee conducts business
- Has the potential to cause illness or injury to any person

The Code of Conduct describes Northparkes' business standards for all employees, contractors and suppliers, stating 'We all must comply with laws and regulations whether they are here in Australia or representing Northparkes in another part of the world' and 'as a business we must maintain high ethical standards in the acquisition of goods and services.'

Health, Safety and Environment Policy says "We care about people and the world in which we live. We recognise that excellence in managing health and safety, and commitment to environmental responsibility and protection are essential to our long-term vision of a century of mining together." To this end, Northparkes is committed to "actively pursuing and sharing leading practices and new approaches in key health, safety and environment areas, in line with our core value of continuous improvement."

Vendor due diligence was enhanced through adoption of global vendor risk management programme into supplier pre-qualification and management procedures. This allows Northparkes to monitor for suppliers for organisational risks and focus management toward areas that pose higher risk.

Northparkes has a risk-based approach to engaging the market and seeks to leverage the value of supply to promote its business standards. Our **Procurement Policy** says, 'we care about people and the world in which we live' and espouses our commitment to 'maintaining ethical and lawful business practices and standards.' Our Commitment Policy stipulates the

SpeakUp is Northparkes 'whistle blowing' process that underpins our Northparkes Mines Code of Conduct and reinforces our culture of honest and ethical behaviour in all that we do. The SpeakUp program is an operational-level grievance mechanisms available to individuals directly engaged in our operations, it is available to all of Northparkes' suppliers of goods or services (whether paid or unpaid) and any individual who is or has been employed or contracted by a supplier. No relevant concerns were raised during the reporting period.

2.5 Describe how the reporting entity assesses the effectiveness of these actions

It is difficult to assess the effectiveness of our policies and procedures in addressing the risks of modern slavery. We acknowledge that there are a range of further steps we can take to address the risks of modern slavery in our operations and supply chains.

At present, all individuals within our business (whether employees or contractors) are responsible for reporting incidents or concerning behaviour that may not adhere to our Business Standards, policies and procedures. We conduct awareness training for our Code of Conduct and keep records of personnel who have completed the relevant compliance training modules. If any issues are reported anonymously through the SpeakUp program, our third-party auditor will track our performance to respond to the concern raised.

In time, we will continue to formulate more robust business systems to address modern slavery risks and enhance direct engagement with our suppliers to accumulate more meaningful data for assessing the effectiveness of our actions.

2.6 Describe the process of consultation with any entities the reporting entity owns or controls

As Northparkes (an entity in the control of CMOC) manages CMOC's operations in Australia, CMOC has prepared this Statement in consultation with its teams at Northparkes. Northparkes' procurement, supply and logistics teams oversee CMOC's supply chains in accordance with CMOC and Northparkes procedures.

2.7 Provide any other relevant information

2.7.1 CMOC Code of Business Conduct

CMOC also maintains a Code of Business Conduct and an online anonymous reporting feature called EthicsPoint available from the Northparkes and CMOC websites. The CMOC Code of Business Conduct includes our pledge to promote respect for human rights.

'Respect for human rights has been a long-standing commitment of CMOC. Our policy is to conduct our operations in a manner consistent with the United Nations Universal Declaration of Human Rights, and to align our human rights due diligence practices with the U.N. Guiding Principles on Business and Human Rights. We promote human rights awareness through engagements with host governments and local communities, as well as providing training to employees and contractors, and have site-specific human rights policies and systems and a grievance mechanism for reporting, documenting and following up on all violations of human rights allegations reported in our areas of operation.... including any forms of forced or compulsory labour, child labour, human rights violations or any other serious violations of international humanitarian law.'

2.7.2 COVID-19 (Coronavirus)

COVID-19 was tremendously disruptive to supply chains and logistics throughout 2020 and may have increased the risk of modern slavery for some industries or regions. Locally, Northparkes implemented COVID-Safe procedures to minimise the risks of COVID-19 to our workforce, contractors and community and to ensure our operations were able to continue safely. Throughout the year we worked collaboratively with our contractors and suppliers to manage the difficulties presented by COVID-19 and its global response without imposing further undue pressure upon already strained supply chains. We recognised that the continuing presence of COVID-19 may significantly alter the prevalence of modern slavery and that we must consider this when formulating our further actions and assessing their effectiveness.

3. PROPOSED FUTURE ACTION

Policies and Procedures

- Formulate a Modern Slavery Policy, stand-alone or by revision of the Procurement Policy, to align Northparkes' objectives with the requirements of the Modern Slavery Act and United Nations Guiding Principles.
- Review Procurement Procedure (and associated templates) to incorporate Modern Slavery specific due diligence requirements.
- Update the Northparkes Code of Conduct to address Modern Slavery and promote the standards expected of ourselves and our suppliers with respect to understanding our supply chains

Training

- Introduce Modern Slavery awareness and compliance training module for business leaders and supply and procurement functions

Supplier engagement

- Update supply contract General Conditions to incorporate Modern Slavery Act compliance requirements.
- Review Northparkes' whistle blower protections procedure to expressly reference Modern Slavery and, where appropriate, extend the program to our entire supply chain.

Data collection

- Improve data collection for the country and region of origin for all materials and consider supply chain mapping for higher modern slavery risk supply.

4. APPROVAL OF MODERN SLAVERY STATEMENT

4.1 Approved by principal governing body

This Statement has been approved by the board of CMOC Mining Pty Ltd.

4.2 Signed by responsible member



Hubert Lehman
Managing Director
CMOC-Northparkes Mines

