

CITIC Resources Australia Pty Ltd

Group

Joint Modern Slavery Statement

For the 2020 Financial Year





Joint Modern Slavery Statement

1. Reporting entities

This Statement covers CITIC Resources Australia Pty Ltd and its controlled entities (collectively termed as the Group). Specifically, the following companies within the Group are classified as reporting entities under the Modern Slavery Act 2018 (the Act):

1. CITIC Resources Australia Pty Ltd (ACN 107 652 817) (CRA)
2. CITIC Portland Holdings Pty Ltd (ACN 107 653 092)
3. CITIC Australia (Portland) Pty Ltd (ACN 006 483 941)
4. CA Steel Products Pty Ltd (ACN 603 950 778)

Other than CRA, the entities listed above are wholly-owned subsidiaries of CRA.

This Statement is the first modern slavery statement prepared by the Group in accordance with the Act. The Statement sets out the actions taken to assess the risk of modern slavery in its business operations and supply chain during the reporting period from 1 January 2020 to 31 December 2020.

2. Structure, operations and supply chains

Structure

CRA is a large proprietary company as defined under section 45 of the Corporations Act 2001 (Cth). CRA is a wholly-owned subsidiary company of CITIC Resources Holdings Limited (CRH), an entity incorporated in Bermuda and is listed on the Hong Kong Stock Exchange. Collectively, CRA and CRH are majority owned by CITIC Limited, an entity incorporated and listed in Hong Kong. CITIC Limited is majority owned by CITIC Group Corporation which is a China incorporated entity.

Within the Group, there are 20 entities as at 31 December 2020, all of which are wholly-owned by CRA. The subsidiaries within CRA comprise nineteen Australia incorporated companies and one Chinese company.

The registered office of CRA and its reporting entities is located at Level 7, 99 King Street, CITIC House, Melbourne, Victoria 3000. CRA directly employs 29 people in Australia and 2 people in China as at 31 December 2020.

The operations of the Group are governed by a Management Committee which is responsible for the strategic direction of the Group, the performance of the Group's operations including approval of budgets, decisions on capital expenditure and asset divestment, and is the main decision-making body for key strategic and operational matters. The Management Committee reports to CRA's Board of Directors.



Operations

The Group's operations comprise directly managed operations as well as investment in a number of joint ventures. The operations of the Group include:

- aluminium smelting and sale and marketing of aluminium produced;
- exploration, mining and sale of coal;
- trading in various commodities including exports and imports of metals and manufactured products; and
- investment holding.

During the reporting period, the Group directly manages the following operations:

1. Sales and marketing of aluminum ingots produced by the Portland aluminium smelter
2. Import and export of steel products
3. Import and distribution of automotive tyres and batteries
4. Investment holding in Alumina Limited, a listed Australian company on the Australian Stock Exchange
5. Management of its interests in various joint ventures including the supply of certain raw materials to its aluminium smelting joint venture
6. Day-to-day operations of its corporate office in Melbourne and an administrative office based in Beijing, China. CRA's corporate office also provides management services to its related company, CITIC Australia Pty Ltd.

In the second half of 2020, the Group has sold the distribution operations of its automotive tyres which operated two distribution warehouses located in Victoria and Queensland.

The Group holds interests in various joint ventures that operates in aluminum smelting and coal mining and exploration. A joint venture manager is appointed for each of these joint ventures, who manages the operations on behalf of the joint venture partners. The Group does not manage nor operate these joint ventures. These joint ventures are located at various locations in Victoria and Queensland, Australia.

Supply chains

During the reporting period, the Group has a global supply chain which is made up of approximately 180 suppliers across 11 countries.

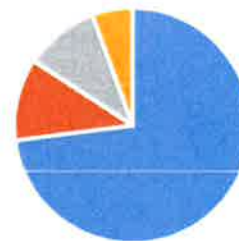


Supplier by location



■ Australia ■ Mainland China ■ Singapore
■ Taiwan, China ■ Others

Spend by location



■ Australia ■ Hong Kong SAR, China
■ Taiwan, China ■ Others

The total spend amounted to US\$306 million. The largest spend categories are cash contributions to support our joint venture operations and purchases of finished goods such as steel products and automotive tyres for sale as well as purchases of raw materials. Our supply arrangements range from purchases on a spot basis to longer term supply arrangement, generally no longer than five years.

3. Risks of modern slavery practices in the operations and supply chains

85% of the Group's suppliers are based in Australia, which is generally deemed to be of lower modern slavery risk. The Group is also committed to fair employment conditions for its employees and complies with the relevant Australian employment legislation. Hence, the overall exposure to modern slavery risks faced by the Group is considered low.

In assessing the risk of modern slavery practices within its operations, the Group has a Code of Conduct which is provided to all employees that outlines the high standards that our employees need to adhere to and behave in a fair and ethical manner when dealing with suppliers, customers, contractors and fellow employees.

The Group has also implemented a whistle-blowing policy that encourages employees and business partners to speak up and report when they witness or become aware of wrongdoing or misconduct committed by other employees or associates that affects the Group.

In assessing modern slavery risks within the operations that are not directly managed or operated by the Group, the Group considers the ethical and fair business standards adhered by the joint venture manager. This includes policies and procedures adopted by the joint venture manager, its historical records of reported human right incidents and any matters relating to modern slavery that are raised for discussions during the joint ventures' management committee meetings held during the year. This will inform the Group in its assessment of modern slavery risks within the joint venture operations.



4. Actions taken to assess and address these risks including due diligence and remediation process

In the calendar year 2020, we have assessed the risk of modern slavery within our direct operations and supply chain through the following actions taken:

1. Understand the nature of modern slavery risks and how it may impact our operations and supply chains through reading of the Act as well as the Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities.
2. Obtain a high level understanding of modern slavery risk areas within our operations and across the various functions such as finance, legal and human resources.
3. Perform a high-level analysis on our direct suppliers that provide goods and services to the Group to identify any specific sector or industry risks, product or services risks, geographical risks and entity risks to develop our supplier risk profile. This will inform management's decisions when assessing our suppliers for modern slavery risks and our approach towards engagement with the suppliers.
4. Develop a modern slavery policy to formalize the Group's objectives and procedures to address, identify and mitigate modern slavery risks within our operations and supply chain. This policy will be communicated to all employees and implemented upon approval from the Management Committee.
5. Develop a supplier risk assessment form to seek information and evidence from our suppliers to assess modern slavery risk exposure within our supply chains. This form will be implemented upon approval from the Management Committee.
6. Develop a supplier code of conduct to be shared with our suppliers to encourage and commit our suppliers to adhere to the same standards as the Group to minimize modern slavery risks. The Supplier Code of Conduct will be adopted and provided to our suppliers upon approval by the Management Committee.
7. Support our employees to ensure that there are no adverse impacts from lockdown restrictions and provide flexibility to work from home where possible during this period which is significantly disrupted by the emergence of COVID-19.

In assessing modern slavery risks within the joint ventures, management have enquired and discussed with the managers of the joint ventures on their policy, practices and statements on modern slavery risks within those operations. There were no incidents reported by the joint venture managers relating to violation of human rights or modern slavery practices during the reporting period.



5. How the reporting entity assess the effectiveness of these actions

The Group is committed to continual improvements in our approach to identifying, addressing and mitigating modern slavery risks within our operations and supply chains. This is best achieved through creating a culture of ethical and fair business practices by ensuring that corporate governance is practiced through clear and well communicated policies and procedures and leading by example from senior management of the Group.

Our Modern Slavery policy will be reviewed on an annual basis to assess if there are any modification required to ensure compliance with the Act and whether it remains fit for purpose such as to cater for changes in the Group's operations or supply chains.

We will continue to engage with our suppliers and request for information to understand how they are addressing their modern slavery risks in their operations and supply chains through the use of our risk assessment form. This will assist the Group to assess any actions to be taken if there are potential modern slavery risks identified.

This Statement and our actions taken to address modern slavery risks as well as the effectiveness of our policy and procedures will be reviewed annually. Any instances of potential or actual instances of modern slavery practices will be thoroughly investigated by management with remediation actions to be taken. Key findings and outcomes will be reported to the Management Committee of the Group.

6. Process of consultation with any entities that the reporting entity owns or controls

This Statement, together with our Modern Slavery policy, will be communicated to all employees and senior management within the Group. CRA will undertake to provide training to the relevant employees to enhance their understanding and awareness of their obligations under this policy and identify risks of modern slavery within the Group and its supply chain.

7. Other relevant information

The Group's Modern Slavery policy and associated policies and procedures can be provided upon request. Please send your request to:

Company Secretary
CITIC Resources Australia Pty Ltd
Level 7, 99 King Street
CITIC House
Melbourne
VIC 3000 Australia



8. Approval by CRA's Board of Directors

This Statement has been approved at a board meeting by the Board of Directors of the reporting entities on 29 June 2021.

This Statement has been approved by Tinghu Guo, Managing Director of the Board of Directors of CITIC Resources Australia Pty Ltd.

A handwritten signature in black ink, appearing to read 'Tinghu Guo', written over a faint horizontal line.

Tinghu Guo
Managing Director
CITIC Resources Australia Pty Ltd

29 June 2021