

Bao Australia Pty Ltd Modern Slavery Statement

1. Introduction

This statement outlines Bao Australia Pty Ltd's (ACN 063 463 945) (**Bao Australia's**) approach to identify and address the risks of modern slavery in its operations and supply chains. This statement is made pursuant to the *Modern Slavery Act 2018* (Cth) for the financial year ending 31 December 2023.

2. Our Structure

2.1 *Baowu Group*

Bao Australia is a subsidiary of China Baowu Steel Group Corporation Limited (**Baowu Group**), a leading global iron and steel enterprise based in Shanghai, China. Baosteel Group was established on 23 December 1978 and has operations in Shanghai, China, South Africa, Mauritius and Western Australia.

A simplified corporate structure of the Baosteel Group is provided below:



2.2 *Baosteel in Australia*

Bao Australia is an Australian proprietary company with approximately 12 employees in Australia. Our principal place of business is Level 1, 189 St Georges Terrace, Perth WA 6000.

3. Our Scope of Business

Bao Australia, a Baosteel Australia company, is an ultimate wholly-owned subsidiary of Baoshan Iron & Steel Co., Ltd was founded in 24th February 1994 in Perth Western Australia. Bao Australia engages principally Baosteel products sales in Oceania region, such as Australia, New Zealand, Papua New Guinea (PNG), Fiji, and other Pacific Island countries and territories as well as purchasing of raw material for Baosteel.

Bao Australia main products are pipe and tube, heavy plate, hot rolled, cold rolled, hot dipped galvanised, aluzinc, electro galvanised, tin plate, electrical steel, pre-painted steel and stainless steel.

4. Modern Slavery Risks in Scope of Business and Supply Chain

Bao Australia considers their own business to be at a low risk of modern slavery due to the nature of its business activities in Australia. While Bao Australia is not directly engaged in office maintenance activities, we are aware that some industries such as the cleaning/maintenance sector may have higher risks of modern slavery practices and we are committed to monitoring these risks in our business.

Baosteel has identified that it may be at risk of contributing to modern slavery by the secondment of employees from its parent company in China to undertake work in Australia.

5. Actions Taken to Assess and Address the Modern Slavery Risks

As a trading & distribution channel, Bao Australia is not in a position to directly control the supply chains and somewhat relies on the logistics service partner to follow its due diligence processes and risk management to identify countries with a high risk of modern slavery, high risk goods and services. This may include implementing specific internal processes such as “*Know Your Supplier*” and providing personnel with the skills and knowledge on how to identify “*red flags*” of modern slavery risks. Bao Australia aims for continuous improvement and will consider implementing appropriate actions in the future to enhance its efforts to assess and address modern slavery risks.

Bao Australia has undertaken a review of the latest modern slavery statement of our logistics partner to assess the actions taken to assess and address modern slavery risks in operations. This review revealed that our partner has robust processes in place to assess and mitigate against modern slavery practices, which aligns with Bao Australia’s standards and expectations. These include for example, policies and procedures (such as their Human Rights Policy or Supplier Code of Conduct); a risk management framework and risk assessments; audits and due diligence processes; confidential reporting mechanisms; and effectiveness assessments in relation to the mitigation of modern slavery practices.

No significant issues were identified that would require additional action or further information from the partners. Bao Australia remains committed to ongoing engagement and collaboration

with its partners to continuously evaluate and enhance modern slavery risk assessment and mitigation strategies in the future.

In respect of Bao Australia's workers who are engaged from China, these workers are employees of Baosteel's parent company in Shanghai, China. The workers are sponsored by the parent company to work in Australia and the visa process is managed by Bao Australia's parent company. Human Resources ensures that the workers have the correct visa to work in Australia, including undertaking a visa condition check (VEVO). It is a precondition of their engagement that the workers have the legal right to work in Australia. Human Resources also ensures that Australian employment legislation and regulations are strictly adhered to, as well as Bao Australia's policies and procedures in relation to overtime work compensation and leave.

6. Assessing the Effectiveness of these Actions


As a non-operator company, Baosteel somewhat relies on their logistics service partner to assess the effectiveness of their actions taken to respond to modern slavery risks in their operations and supply chains.

Bao Australia appreciates that it may need to take a more active role to identify and reduce the risks of modern slavery in its business. As such, Baosteel will work collaboratively with its local partners over the next 12 months on actions which can be taken to enhance modern slavery risk management in its business and their supply chains.

In respect of the ex-patriate employees, Baosteel ensures visa and employment checks are undertaken by its Human Resources personnel on each individual employee prior to commencing work in Australia. These checks have worked well, and no issues have been identified to date.

This statement has been approved and endorsed by the board of directors of Bao Australia Pty Ltd (ACN 063 463 945).

Signed and approved on 16 June 2024 by:

Yijun Shen


Managing Director