

BISALLOY STEEL GROUP LIMITED

MODERN SLAVERY STATEMENT TO THE MINISTER FOR HOME AFFAIRS

FOR THE YEAR ENDING 30 JUNE 2020

A. *The Bisalloy Steel Group organisation, its structure, its operations and its supply chain*

- Bisalloy is an Australian company listed on the ASX with a 40 year history of manufacture and sale of quenched and tempered steel.
- The business has its primary site of manufacture and operations at Unanderra south of Sydney and close to Port Kembla where Bisalloy's key long term supplier Bluescope Steel has its operation.
- The business directly employs around 80 full time employees at Unanderra most of whom are covered by the *Bisalloy Steels Collective Agreement 2020* which agreement also covers the AMWU, the AWU and the CEPU.
- The company has self-audited its direct employment arrangements for its domestic manufacturing and sales operations and confirms that all aspects of those operations insofar as Bisalloy employees are concerned are fully compliant with the company Human Rights Policy Statement (referred to below) and the Modern Slavery Act 2018.
- In addition to its domestic manufacturing and sales business the company also has four international business partnerships:
 - (a) A Commercial Joint Venture with Shandong Steel called *Shandong Steel* located at Airport Road, Licheng District, Jinan, Shandong Province, China
 - (b) A distributor arrangement with an entity majority owned by Bisalloy called *PT Bima Bisalloy* located at MM2100 Industrial Town Jl. Sumbawa Kav. C7 No. 1 Cikarang Barat - Bekasi 17520 in the West Java area of Indonesia.
 - (c) A distributor arrangement with an entity majority owned by Bisalloy called *Bisalloy Thailand* located at 1 Bang Na-Trat 25 Alley, Bang Na, Bangkok 10260, Thailand.
 - (d) A major supply partnership with Ilsenburger Grobblech GmbH located at Veckenstedter Weg 10, 38871 Ilseburg (Harz), in Germany.
- The domestic supply chain of the business is made up as follows:
 - (a) External third party repairs and maintenance operators whose task is to engage with the Unanderra production team for the purpose of maintaining and when required repairing the production facility equipment.
 - (b) External suppliers of work clothing for the Unanderra production team and the PPE worn by many members of the team.

- (a) Road transport operators who convey the steel products manufactured at Unanderra to customers within Australia and to the waterfront logistics operation at Port Kembla for export to Indonesia and Thailand.
 - (b) Ship owners and operators whose vessels convey the Bisalloy products to Indonesia and Thailand.
- The supply chain outside Australia is described above in relation to the four international business relationships of Bisalloy Steel Group.

B. The risks faced by the business in relation to compliance with the Modern Slavery Act 2018 and the Human Rights Policy Statement of the Bisalloy Steel Group

- The business does not believe that its domestic operations face any realistic risk in regards to compliance with the Bisalloy Human Rights Policy Statement and the Modern Slavery Act 2018.
- The business is of the view that the main risks in relation to non compliance could be found in its Indonesian and Thailand operations simply for the reason that those operations are still developing and both operations might be perceived to have some vulnerability to external suppliers whose compliance is wanting.
- The business has limited volumes in the German operation but the size and gravitas of the German partner is such that there is very little risk of non compliance.
- The business does not believe that its Chinese partnership poses a significant risk of non-compliance because of preparatory work done by Bisalloy before the Commercial Joint Venture was launched.

C. The steps taken to manage risk both now and looking forward

- The business has framed and implemented a Human Rights Policy Statement a copy of which accompanies this Statement. Domestic compliance for direct employees of Bisalloy with the Human Rights Policy Statement and the Modern Slavery Act 2018 is noted above.
- While the business believes that its domestic risk profile in this context is low, it has nonetheless prepared a *Bisalloy Human Rights and Modern Slavery Declaration* (copy attached) to be completed and returned by all operators in the domestic supply chain including the ships' agent used to arrange sea transport for Bisalloy product going to Indonesia and Thailand.

- The business has made extensive efforts before entering its Commercial Joint Venture in Shandong to ensure that it was engaging with a partner who could be reliably compliant with the principles of Human Rights and Modern Slavery legislation. The *Declaration* is an agreed part of the Joint Venture terms but is also audited by a third party to ensure compliance.
- The *Declaration* is issued to both our Indonesian and our Thai operations which are majority owned by Bisalloy so auditing is a straightforward undertaking and is performed by Bisalloy management direct.

D. Ongoing monitoring

- Bisalloy has made the *Declaration* a requirement of all its business arrangements.
- Auditing the *Declaration* is likewise the responsibility of the senior operational management team in each business location including Unanderra. As Bluescope requires Bisalloy to complete and return an annual statement of human rights compliance so Bisalloy makes the same requirement of Bluescope.
- Bisalloy believes that compliance with its Human Rights Policy Statement and the Modern Slavery Act 2018 is already part of the Bisalloy business fabric which means that ongoing compliance can grow at the same pace as the business expands.

Dated:

Signed as the authorised delegate of the Board of Directors who have voted to approve the submission of this Statement and attachments to the Minister of Home Affairs:



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Luke Beale, CFO and Company Secretary