



Modern Slavery Statement 2021

1. Introduction

- 1.1 This Modern Slavery Statement is a joint statement made pursuant to sections 14 and 16 of the *Modern Slavery Act 2018* (the **Act**) for the reporting period 1 January 2021 to 31 December 2021 (this **Statement**). This Statement has been approved by the Board of Directors of the parent entity, CBH Resources Limited in compliance with section 14(2)(d) of the Act.
- 1.2 This statement formalises the commitment of CBH Resources Limited (ACN 009 423 858) (**CBH**) and its subsidiaries to uphold human rights for all people, combat modern slavery in CBH's business and its supply chains and comply with its obligations under the Australian legislation relating to modern slavery.
- 1.3 Since issuing CBH's first statement, CBH and its subsidiaries are continuing to work on eliminating modern slavery and remain committed to:
- 1.3.1 educating CBH and its subsidiaries on the risks of modern slavery;
 - 1.3.2 acting lawfully, ethically and with integrity in all its business dealings and relationships;
 - 1.3.3 implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in its own business or in the supply chains that support its business; and
 - 1.3.4 ensuring there is transparency in its own business and in its approach to tackling modern slavery throughout its supply chains.

2. Reporting Entities

- 2.1 This Statement is a joint statement comprising of the following reporting entities (collectively, **CBH Resources Group**) under the Act:
- 2.1.1 CBH Resources Limited;
 - 2.1.2 Cobar Operations Pty Ltd;
 - 2.1.3 Endeavor Operations Pty Ltd (**Endeavour Operations**);
 - 2.1.4 Cobar Infrastructure Pty Ltd;
 - 2.1.5 Triako Resources Pty Ltd;
 - 2.1.6 Broken Hill Operations Pty Ltd (**Broken Hill Operations**);
 - 2.1.7 CBH Western Australia Pty Ltd; and
 - 2.1.8 CBH Panorama Pty Ltd.



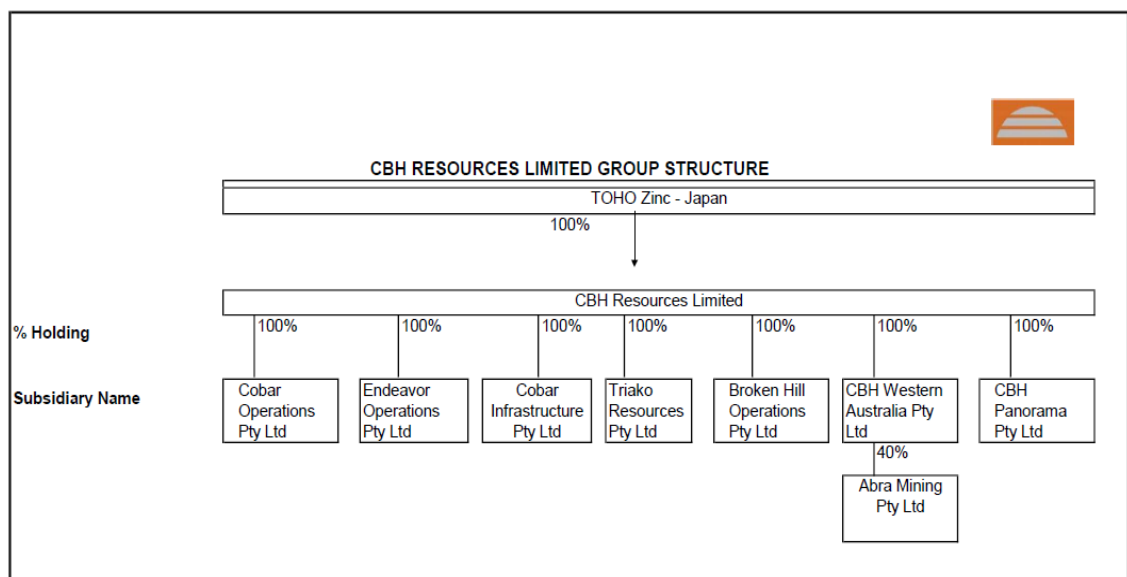
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- 2.2 The corporate structure of the reporting entities is set out in Section 3 below.
- 2.3 CBH Resources Group is committed to doing business ethically and responsibly, and is striving to consciously improve its implementation of the Act with the ultimate objective of eliminating and preventing any modern slavery risks within its operations and supply chains.

3. Structure, Operation and Supply Chain

3.1 Structure

CBH Resources Group is a group of private companies. CBH is the sole shareholder of Cobar Operations Pty Ltd, Endeavor Operations Pty Ltd, Cobar Infrastructure Pty Ltd, Triako Resources Pty Ltd, Broken Hill Operations Pty Ltd, Broken Hill Operations Pty Ltd, CBH Western Australian Pty Ltd and CBH Panorama Pty Ltd. CBH Western Australia has a 40% in Abra Mining Pty Ltd. In summary, our corporate structure is as following:



Employees

CBH Resources Group has a total of 201 employees dispersed with 8 employees at CBH, 188 employees at Broken Hill Operations and 5 employees at Endeavour Operations and operates in Australia, and is primarily administered from its head office in North Sydney, New South Wales.

CBH Resources has been a wholly owned subsidiary of Toho Zinc Co., Ltd a Japanese company listed on the Tokyo Stock Exchange since about 2010.



3.2 Operation

CBH Resources Group is a significant produce of silver, lead and zinc in Australia. The company operates two mines in New South Wales, the Endeavour Mine at Cobar and Rasp Mine at Broken Hill.

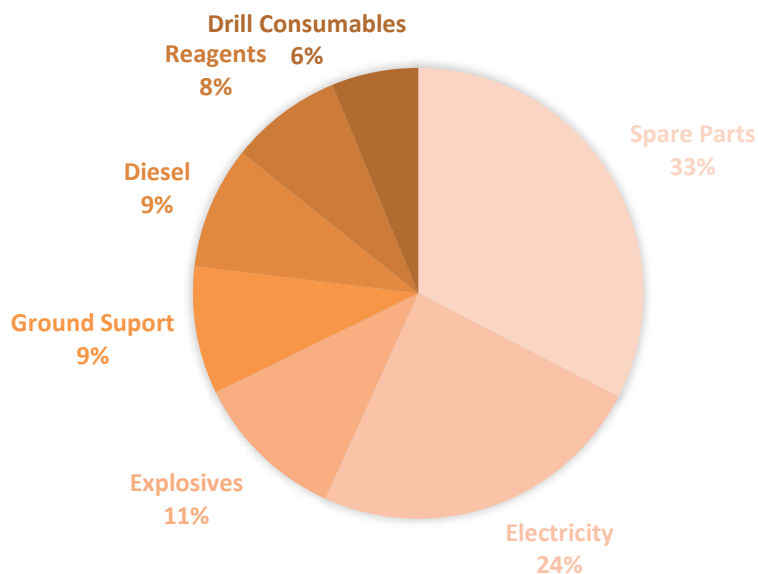
CBH Resources has focused exploration programmes primarily in the Cobar Basin and the Broken Hill District.

3.3 Supply Chain

CBH Resources Group has a large number of suppliers who provide a variety of products and services in order for the CBH Resources Groups to conduct our business. The CBH Resources Group obtains supplies to assist with the mining and production of silver, lead and zinc in Australia. The key areas of spend which incur a yearly cost of over \$1,500,000 for CBH Resources Group are:

- 3.3.1 Spare Parts;
- 3.3.2 Electricity;
- 3.3.3 Explosives;
- 3.3.4 Operations Support;
- 3.3.5 Diesel;
- 3.3.6 Reagents; and
- 3.3.7 Drill Consumables.

Spend by Commodity Area



Given the nature of our work, we have longstanding relationships with our suppliers in our key areas of spend. We are committed to implementing and enforcing effective systems and



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controls to ensure modern slavery is not taking place anywhere in our own business or in the supply chains that support our business.

4. Risk of exposure to modern slavery

4.1 CBH Resources' Australian operations span across New South Wales. We source products and supplies from Australian and International suppliers, who in turn have local and international supply chains. We acknowledge that the risks of modern slavery may be heightened in some of our groups supply chains and operations as a result of the geographical location of some suppliers, our areas of operation, and the source of materials used in products supplied to us. We also acknowledge that, we lack visibility in certain overseas markets and this carries additional risks of modern slavery especially in secondary levels of our chain of suppliers and source materials used in our group's goods and services.

5. Actions taken to assess and address modern slavery risk

5.1 By the end of the calendar year for 2022, the CBH Group intends to take these further steps to combat modern slavery in its operations and supply chain:

5.1.1 Educate our employees via targeted internal training for:

- 5.1.1.1 key management and staff;
- 5.1.1.2 procurement teams; and
- 5.1.1.3 staff and relevant stakeholders.

5.1.2 Prepare a Modern Slavery Statement Policy for the CBH Resources Group.

5.1.3 Make available to all employees the CBH Group Modern Slavery Policy via the CBH Intranet.

5.1.4 Once a Modern Slavery Policy has been established, alert our suppliers as to the terms of our Modern Slavery Policy.

5.1.5 Implement Risk Assessment and Due Diligence review of current and future suppliers and supply chains to ensure a standard contractual term that will provide a baseline for our future supplier agreements.

5.2 Beyond 2022, CBH Resources Group intends to take these further steps to combat modern slavery in its operations and supply chain:

5.2.1 Engage with our suppliers about the risks of modern slavery and preventative measures available, to encourage those suppliers to investigate their supply chains and educate their suppliers.

5.2.2 For suppliers who have registered Modern Slavery Statements, investigate these statements to confirm the information provided. This will also assist CBH in benchmarking and sourcing new ways of managing risk.

5.2.3 Periodically review the risk assessment of suppliers and undertake appropriate action if their risk profile is deemed to have changed.

5.2.4 Create a roadmap on how CBH Resources Group could approach auditing suppliers for compliance to modern slavery prevention commitments.

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6. Assessing effectiveness of modern slavery risk management

6.1 During this reporting period, our focus was to gain a better understanding of our modern slavery risks and how such risks may be present in our operations and supply chains. At this early stage, we are unable to adequately assess the effectiveness of measures we have undertaken. However, we have commenced and will continue to work on developing frameworks and processes to ensure we can review the effectiveness of the actions we are taking to assess and address modern slavery risks in our operations and supply chains.

6.2 Policies

The CBH Resources Group has formal policies already in place that are intended to promote ethical, legally compliant and socially responsible business conduct. The policies set out below, contribute to CBH Resources Group's commitment to respect of human rights and addressing modern slavery risks.

Code of Conduct

The CBH Resources Group Code of Conduct is our foundation for ethical business behaviours. Our Code of Conduct builds on company values and formulates guidelines for daily activities and applies to all Workers including employees, consultants and contractors of the CBH Resources Group. Our Code of Conduct confirms the CBH Resources Group's commitment to respecting and observing the Company's policies and procedures and the laws of the country in which they operate. This includes complying with fair business practices and both local and international trade rules and regulations.

Whistleblower Policy

The CBH Resources Group Whistleblower policy sets out the responsibilities and accountability for individuals for reporting unethical or illegal practices. This provides a reporting and investigative process that is objective, confidential and protects employees from any repercussions or adverse impact as a result of raising concerns.

7. Consultation on preparing a joint statement

7.1 All entities owned or controlled by CBH Resources Limited will be included in our risk based approach to the identification, assessment and mitigation of modern slavery risks. They will be made aware of the actions they need to take and will be developing their frameworks, policies and procedures in line with the emerging Australian and international legislation in this space.

8. Approval

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This statement was approved by the Board of Directors of the parent entity, CBH Resources Limited ACN 009 423 858 and signed by director Ryuhei Arimoto on 22 June 2022.

A handwritten signature in black ink, appearing to read 'Ryuhei Arimoto', written over a horizontal line.

Ryuhei Arimoto

Director

CBH Resources Limited

22 June 2022