



BAOSTEEL

Modern Slavery Statement

1. Introduction

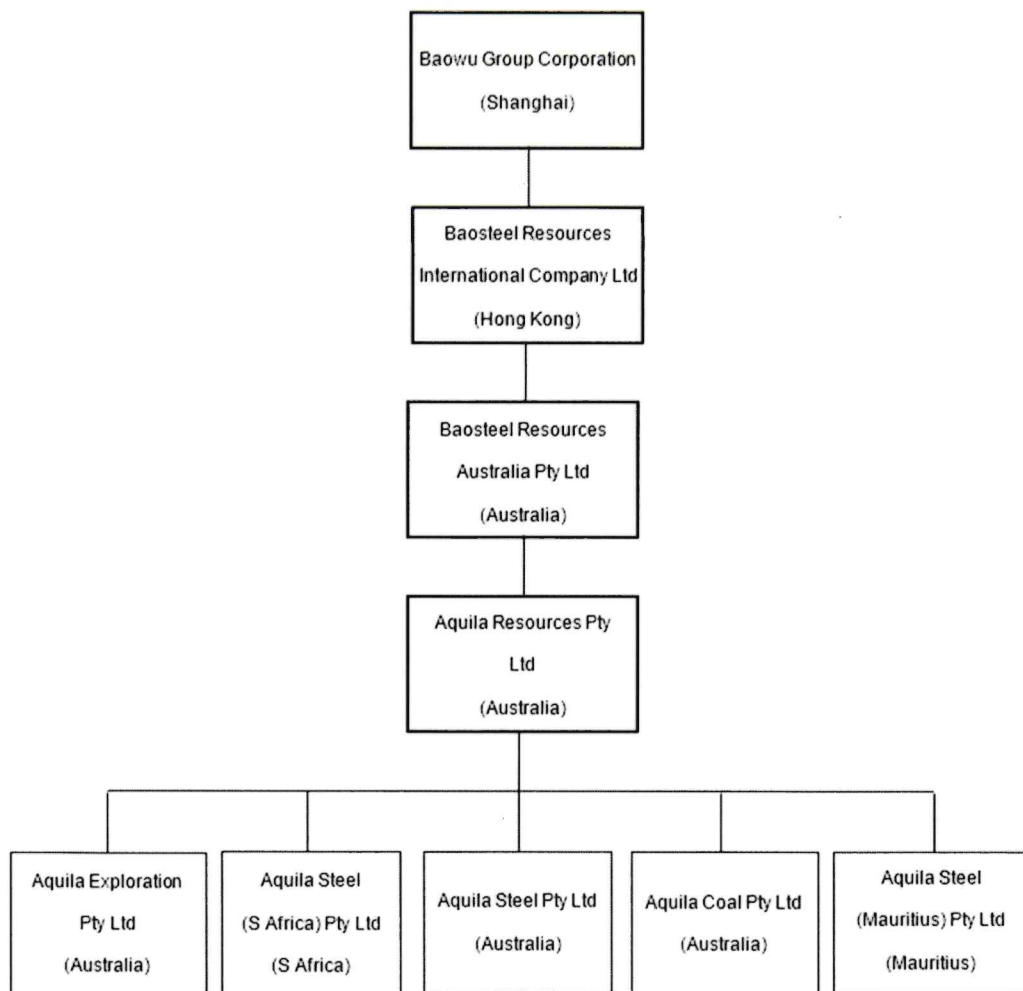
This statement outlines Baosteel Resources Australia Pty Ltd's (ACN 154 815 362) (**Baosteel's**) approach to identify and address the risks of modern slavery in its operations and supply chains. This statement is made pursuant to the *Modern Slavery Act 2018* (Cth) for the financial year ending 31 December 2023.

2. Our Structure

2.1 *Baosteel Group*

Baosteel is a subsidiary of China Baowu Steel Group Corporation Limited (**Baosteel 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

Baosteel is an Australian proprietary company with approximately 30 employees in Australia. Our principal place of business is Level 21, 77 St Georges Terrace, Perth WA 6000.

Aquila Resources Pty Ltd (ACN 092 002 769) (**Aquila**) is an 85% owned subsidiary of Baosteel. Baosteel's other controlled entity, Baosteel Financing 2015 Pty Ltd (ACN 603 604 753), was deregistered with Australian Securities & Investments Commission on 4 November 2020 as there were no ongoing operations in this entity.

3. Our Operations and Supply Chain

3.1 Operations

Baosteel is a joint venture partner in the Bao-HI Ranges Joint Venture, an iron ore project located in the Pilbara region of Western Australia, with production from the Western Range iron ore deposit located about 10 kilometers south of Paraburdoo. Baosteel holds a 46% ownership interest in the joint venture. Rio Tinto holds a 54% ownership interest through its

entity, Hamersley Iron Pty Limited (ACN 004 558 276). The joint venture encompasses a range of activities, including the production and supply of iron ore.

Aquila works with its joint venture partner, AMCI (IO) Pty Ltd, in the Australian Premium Iron Joint Venture (APIJV) in the Pilbara region of Western Australia. This joint venture is managed by API Management Pty Ltd. Aquila (together with its joint venture partner in the APIJV) is working on mining and logistics infrastructure solutions required to deliver the West Pilbara Iron Ore Project. In addition, Aquila jointly owns the Eagle Downs Metallurgical Coal Project (together with its joint venture partner South32 in the Eagle Downs Coal Joint Venture), which will be sold in 2024.

3.2 *Supply Chain*

As the operator of the Bao-HI Ranges Joint Venture, Rio Tinto provides the services of construction and production on the Paraburdoo Western Ranges mine. As Baosteel is not the operator of the project, Baosteel's supply chain of these operations is limited and consists of one (1) manager located offsite in Baosteel's office in the Perth CBD, to support the joint venture project operations.

4. Modern Slavery Risks in Operations and Supply Chain

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

While Baosteel's direct operational involvement is limited, Baosteel has identified that as a joint venture partner, and a shareholder of Aquila, that it may be at risk of indirectly contributing to modern slavery practices in Australia through these relationships. These practices include the engagement of suppliers of products and services used in the mining operations such as trucks, building products and services, mining equipment, transport, catering and temporary accommodation facilities. There is a potential risk of subcontracting to other companies with the lowest prices and the underpayment of workers.

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

In respect of Baosteel's participation in its joint ventures, as a non-operator and non-manager, Baosteel is not in a position to directly control the supply chains for those investments and somewhat relies on the operator or manager of the site 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. While Baosteel relies primarily on their joint venture partners for supply chain management, Baosteel aims for continuous improvement and will consider implementing appropriate actions in the future to enhance its efforts to assess and address modern slavery risks.

Baosteel has undertaken a review of the latest modern slavery statement of our joint venture operator, Rio Tinto, to assess the actions taken to assess and address modern slavery risks in operations. This review revealed that our joint venture partner has robust processes in place to assess and mitigate against modern slavery practices, which aligns with Baosteel'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 operator. Baosteel remains committed to ongoing engagement and collaboration with its joint venture partners to continuously evaluate and enhance modern slavery risk assessment and mitigation strategies in the future.

In respect of Baosteel'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 Baosteel'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 Baosteel's policies and procedures in relation to overtime work compensation and leave.

6. Assessing the Effectiveness of these Actions

As a non-operator joint venture interest holder, Baosteel somewhat relies on their joint venture operators to assess the effectiveness of their actions taken to respond to modern slavery risks in their operations and supply chains.

Baosteel appreciates that although it is a minority, non-operator joint venture partner and shareholder it may need to take a more active role to identify and reduce the risks of modern slavery in its joint venture operations. As such, Baosteel will work collaboratively with its joint venture partners and stakeholders over the next 12 months on actions which can be taken to enhance modern slavery risk management in its operations 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.

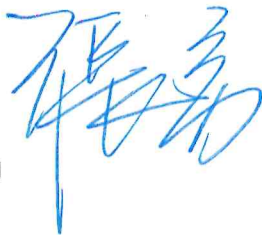
7. Consultation Process

In preparing this modern slavery statement, Baosteel consulted with its controlled entity Aquila through one of its directors, who is a director of Aquila and Baosteel, as well as through Aquila's Chief Operating Officer and Chief Financial Officer. It was through these channels that Aquila was aware that Baosteel was preparing this statement and was provided with an opportunity to participate in the process.

As mentioned in paragraph 2.2 of this statement, consultation with Baosteel's other entity, Baosteel Financing Pty Ltd (ACN 603 604 753), was not necessary as this entity is now deregistered.

This statement has been approved and endorsed by the board of directors of Baosteel Resources Australia Pty Ltd (ACN 154 815 362).

Signed and approved on 17 June 2024 by:



Yong Zhang

Director