

BCI MINERALS LIMITED

MODERN SLAVERY STATEMENT FY21

This Statement is made under the Australian Modern Slavery Act 2018 (Cth) for the financial year ending 30 June 2021 (FY21) and is published on behalf of BCI Minerals Limited (ACN 120 646 924). This Statement is BCI's first modern slavery statement and details the steps it has taken to assess modern slavery risks within its operations, inclusive of its supply chain, and the actions being taken to help manage these risks.

1. Our Company – Structure, Operations and Supply Chains

BCI Minerals Limited (ASX:BCI) (BCI or Company) is an Australian-based mineral resources company which is developing an industrial minerals business, with salt and potash as initial focus.

BCI is rapidly advancing its 100% owned Mardie Salt & Potash Project, a potential Tier 1 project located on the West Pilbara coast in the centre of Australia's key salt production region. Mardie will produce 5.35Mtpa of high-purity salt (>99.5% NaCl) and 140ktpa of sulphate of potash (SOP) (>52% K₂O) via solar evaporation of seawater. Using an inexhaustible seawater resource and a production process driven mainly by natural solar and wind energy, Mardie is therefore a sustainable opportunity to supply the global salt and potash growth markets over many decades.

Main construction of the Mardie Project is targeted in early 2022, which will allow first salt sales to be achieved by Q4 2024 and first SOP sales by Q1 2026.

BCI receives quarterly royalty earnings from Iron Valley, an iron ore mine located in the Central Pilbara region of Western Australia which is operated by Mineral Resources Limited (ASX:MIN). BCI's other assets include potential royalties and/or deferred payments from Koodaideri South, Bungaroo South, Kumina and Nullagine, and a 30% interest in the early stage Carnegie Potash Project.



Figure 1 - Map of BCI's Key Projects

BCI's workforce comprises over 70 employees and over 50 contractors, with offices in Perth and Karratha and operations at the Mardie Project site and accommodation village.

BCI's supply chain includes the procurement of a range of goods and services. In FY21, BCI had a total of 237 active suppliers, which equated to an expenditure of \$48.7 million. The supply chain is managed by BCI's procurement team. During the tendering process potential suppliers are notified that they are required to comply with BCI's corporate social responsibility obligations.

Approximately 98 per cent of BCI's expenditure in FY21 was made in Australia, while the remainder was largely spent in Canada, Singapore, China, USA, Japan, Switzerland, the UK, and Norway. The largest suppliers, by spend, are engineering, procurement and construction (EPC) contractors, all of whom are based in Australia. BCI's international suppliers provide SOP piloting and testing, industry reporting, marketing support and recruitment services.

Whilst the majority of its suppliers are located in Australia, BCI recognises that some suppliers likely source products from elsewhere, which presents potential modern slavery risks deeper within the Company's supply chain.

2. Assessing Modern Slavery Risks

BCI has conducted an assessment of its business to understand where human rights risks, inclusive of modern slavery risks, may exist. The assessment involved consideration of the Company's current and proposed operations, including its supply chain, and indirect exposure through royalties. In undertaking the assessment, a key aspect was understanding the existing controls in place and identifying any potential gaps.

The key modern slavery risks identified through the assessment are those associated with:

- Procurement. BCI's procurement process is evolving as it transitions from a royalties company to a salt and potash business. BCI currently has limited visibility with respect to some of its suppliers, particularly those beyond Tier 1.
- Labour practices, specifically associated with management of worker accommodation as well as contractor management. Again, this is an emerging risk for BCI, as the BCI accommodation facility at Mardie is currently being expanded from 80 rooms to 200 rooms.
- Security. Similar to above, the Mardie Project will require the engagement of security personnel, so is an emerging issue for the Company.
- Shipping. This is an emerging risk given BCI is not currently shipping product, but will do in future. Shipping will not be managed by BCI.

As part of the assessment, BCI undertook a Human Rights Impact Assessment (HRIA) to identify potential salient human rights risks and impacts associated with the Mardie Project. The assessment was guided by the United Nation Guiding Principles (UNGPs) on Business and Human Rights, and the requirements set out in the Equator Principles 4.

In addition to its direct operations, BCI has a number of investments, principally through holding royalties and streams, in mining projects that are owned and operated by third-parties. This means

BCI does not directly control or influence these operations in which it has invested. BCI recognises that it is indirectly exposed to the modern slavery risks from the assets in which it invests. BCI currently has no intention to acquire additional royalties or streams, and its focus is on the development of the Mardie Project. However, in respect of any potential future acquisitions, BCI understands it will be important to assess not only the quality of the assets but also the quality of the operating partners carefully in order to manage BCI’s indirect modern slavery risk exposure.

3. Managing Modern Slavery Risks

BCI expects all its people to demonstrate behaviours in the workplace that reflect its Vision and Values. BCI’s Vision and Values reflect its commitment to respecting human rights.

OUR VISION

BCI aims to become a globally significant supplier of chemical and agricultural feedstock products, with Mardie as the initial focus

OUR VALUES

People and Assets

We look after each other’s wellbeing, value diversity of people and ideas, and protect our assets

Environment and Community

We care about our communities and the environment where we operate

Integrity

We are honest, respectful, transparent and respect the rule and spirit of our legal environment

Performance

We have a can-do attitude and are committed to deliver shareholder value through high quality results

Accountability

We embrace our responsibilities and hold ourselves to account

Teamwork

We contribute, collaborate and lead by example with clear and open communication

Figure 2 - BCI's Vision and Values

BCI’s Corporate Governance Framework

Implementation of BCI’s commitment to respecting human rights is overseen by its Board. BCI has a well-defined - BCI Corporate **Governance Framework** (Figure 3) which sets out the governance responsibilities of the Board in managing human rights risks. BCI’s Sustainability Committee, a sub-committee of the Board, assists in overseeing, monitoring and reviewing the Company’s Environment, Social and Governance (ESG) matters, including human rights and modern slavery. It is the responsibility of the Managing Director and General Counsel in conjunction with the Sustainability Committee to assess the effectiveness of actions implemented to address human rights and modern slavery risks.

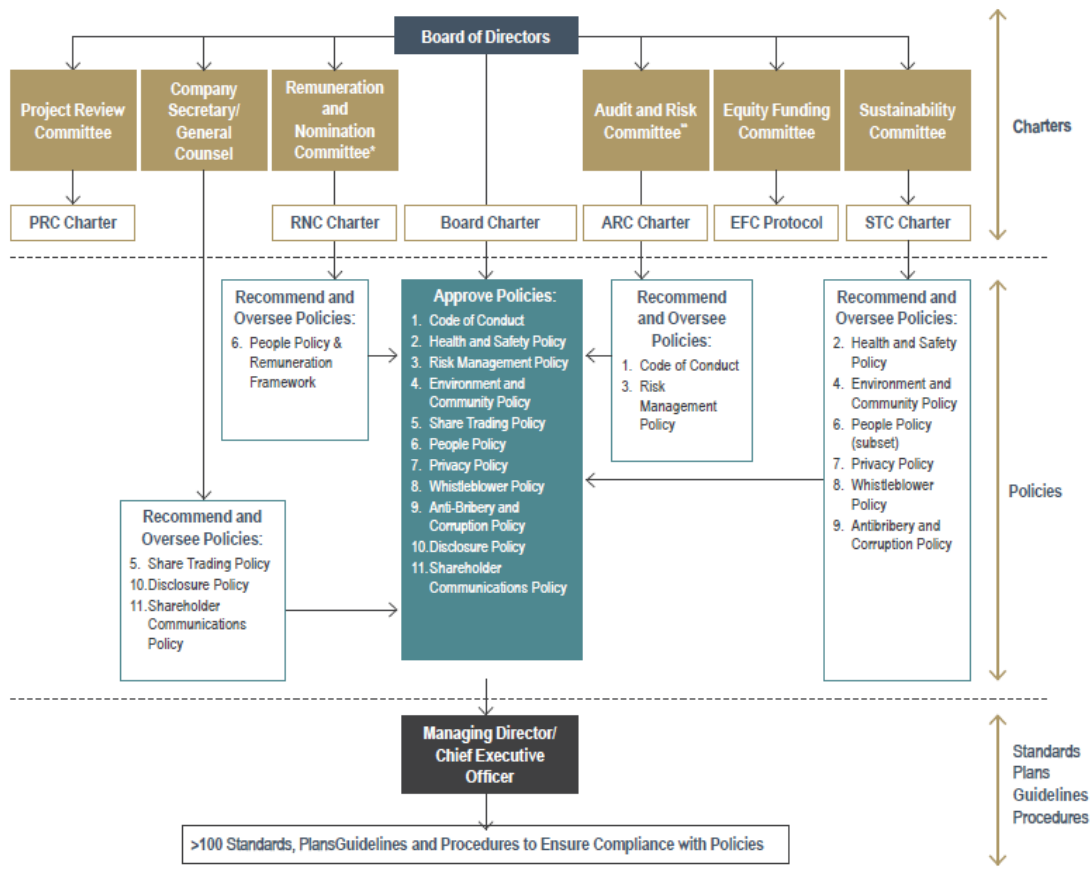


Figure 3 - BCI Corporate Governance Framework

BCI’s Policies & Procedures

BCI has implemented a number of policies that are made publicly available and communicated to all BCI employees. BCI reviews these policies annually. The policies that reflect BCI’s commitment to human rights, and help to manage potential risks, include:

- **Code of Conduct.** Presents a practical set of guidelines for Board members, employees, consultants and contractors of the Company. BCI are committed to conducting themselves with honesty, integrity and fairness in all business practices, and ensuring that the Company observes the legal and regulatory environment in which the company operates.
- **Health and Safety Policy.** BCI’s objective is zero harm and is committed to providing a safe workplace for its employees and contractors. BCI allocates adequate and appropriate resources to enable it to provide a safe system of work. BCI employees are trained in line with this policy.
- **People Policy.** BCI recognises the benefits of diversity and is committed to creating an environment and culture which attracts, engages, and retains a diverse range of high performing individuals through fair hiring, employment, and employee development practices. BCI promotes and encourages a workplace free from discrimination, bullying, victimisation and harassment. BCI commits to providing a harm-free environment. BCI also encourages diversity at all levels,

regardless of age, gender, ethnicity, marital or family status, sexual orientation, race, cultural background, religious belief, or disability.

- **Whistleblower Policy.** This policy provides a process for reporting without fear of reprisal or detrimental treatment for employees, officers and contractors to speak up and raise concerns of any unlawful, unethical or dishonest behaviour.
- **Stakeholder Engagement Management Plan.** This plan includes a grievance mechanism to ensure that all stakeholder feedback, key issues, concerns and grievances are captured and recorded along with any proposed action.
- **Anti-bribery and Corruption Policy.** BCI is committed to conducting its business activities in an ethical, lawful and socially responsible manner, in accordance with the values in the Code of Conduct and the laws and regulations of the countries within which it operates. Engaging in bribery and corrupt conduct is contrary to this commitment and constitutes a serious offence with potential criminal and civil penalties.

BCI also has a number of internal initiatives in place which assist with managing modern slavery risks, including:

- **Employee Workplace Issue Resolution Procedure.** BCI is committed to providing its employees with access to a fair, transparent and confidential process for dealing with any workplace issues, conflicts and complaints they may have in the workplace. This procedure provides guidance to BCI employees on the applicable Company policies and the procedures to be followed whenever such workplace issues may arise.
- **Remuneration Framework.** Sets out the guidelines by which BCI employees are compensated in accordance with the principles set out in the People Policy.
- **Diversity and Inclusion Standard.** The purpose of this standard is to articulate BCI's commitment towards fostering, promoting and establishing a culture of diversity and inclusion at every level of its corporate and site culture, including its relationship with stakeholders.
- **Workplace Behaviour Standard.** Sets out the expected behaviours of BCI employees to provide a workplace where BCI employees are treated with dignity, equality, courtesy and respect and which is free from bullying, harassment and unlawful discrimination. This standard ensures employees and contractors are trained to ensure awareness of and understanding of workplace rights and obligations and compliance of the legislative requirements.

4. Future Actions

BCI recognises that it is in the early stages of developing its approach to understanding and managing its human rights risks, including modern slavery risks.

Based on a review of BCI's current risks, as well as existing controls, BCI has identified a number of areas in which human rights risks and modern slavery risks can be further mitigated. BCI will seek to implement the following initiatives throughout FY22:

- Development of a Human Rights Policy outlining the organisation's commitment to respecting human rights, and the actions the Company is taking and has taken.

- Review of the Code of Conduct to ensure that it aligns with BCI's commitment to respecting human rights.
- Incorporation of an assessment of human rights risks, inclusive of modern slavery, as part of BCI's annual business review.
- Development and implementation of training for employees and members of the Board on human rights, including modern slavery, to increase knowledge and understanding of potential risks within the Company, including its supply chain. This will include embedding BCI's commitment to respecting human rights in employee inductions.
- Continue to assess the risks and performance of suppliers. BCI is building on its pre-qualification questionnaire to help inform its assessment of potential modern slavery risks and procurement decisions.
- Continue to submit a Modern Slavery Statement to report on actions taken by BCI to manage its risks and opportunities.
- Continue to monitor the Whistleblower Policy, and take action as required in response to issues raised.

Longer term initiatives (FY23 onwards) include the following:

- Establishment of an ongoing process to identify and assess human rights risks and impacts from project activities and business relationships.
- Continued maturation of BCI's approach to managing supply chain risks. This will involve extending the focus beyond Tier 1 suppliers, and developing an audit program, with a focus on high-risk suppliers.
- Review of contractual obligations, including with entities involved in shipping, to ensure that BCI's commitment to respecting human rights is appropriately reflected.

5. Statement Review and Approval

BCI's Board will review and update this Statement and its supporting policies annually.

This Statement was approved for release by the Board on 23 December 2021 and signed on its behalf by:

A handwritten signature in blue ink, appearing to read "Alwyn Vorster".

Alwyn Vorster
Managing Director
BCI Minerals Limited