

BAOSTEEL Modern Slavery Statement

1. Introduction

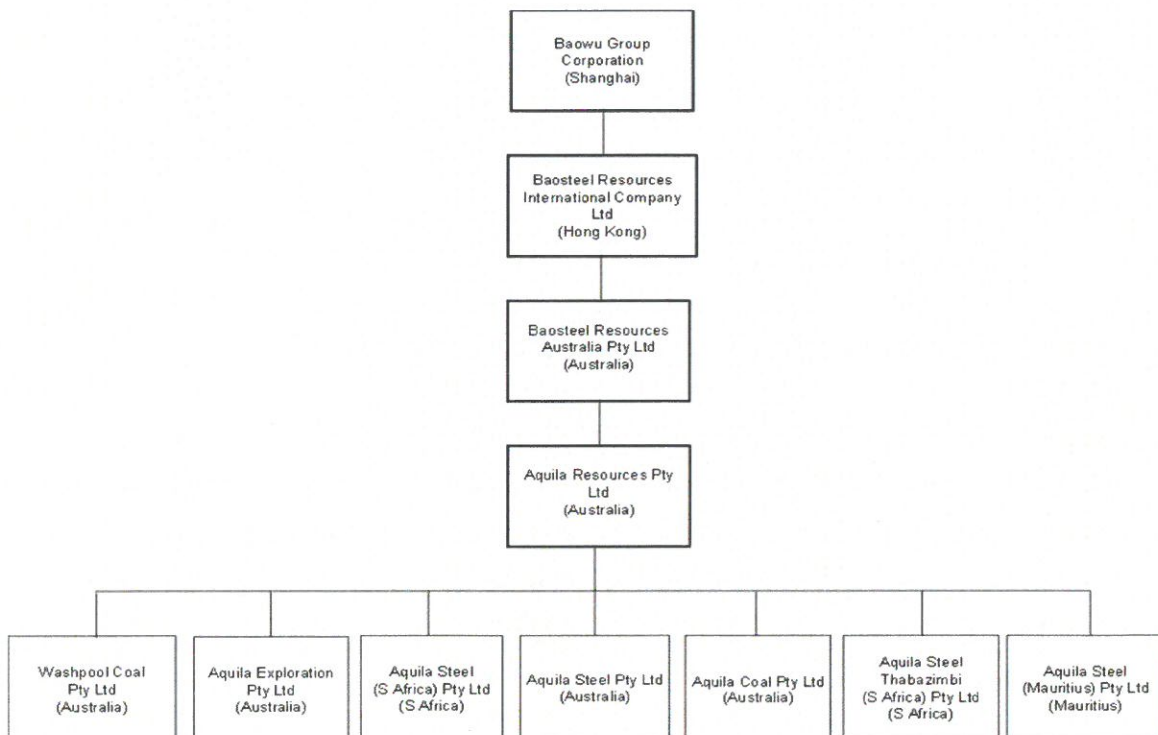
This statement outlines Baosteel Resources Australia Pty Ltd's (ACN 154 815 362) (Baosteel's) approach to identify and address the risks of modern slavery in its operations and supply chains. This statement is made pursuant to the *Modern Slavery Act 2018* (Cth) for the financial year ending 31 December 2022.

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 27 employees in Australia. 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 located in the Pilbara region of Western Australia. 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).

Aquila works with its joint venture partner, AMCI (IO) Pty Ltd, in the Australian Premium Iron Joint Venture in the Pilbara region of Western Australia. This joint venture is managed by API Management Pty Ltd. In addition, Aquila is a joint venture partner in the Eagle Downs Metallurgical Coal Joint Venture with South32 in Queensland's Bowen Basin.

3.2 *Supply Chain*

As operator of the Bao-HI Ranges Joint Venture, Rio Tinto provides the services of construction and production on the Paraburdoo Eastern Ranges mine. As such, 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.

4. **Modern Slavery Risks in Operations and Supply Chain**

Baosteel has identified that as a joint venture partner and shareholder of Aquila, that it may be at risk of contributing to modern slavery practices in Australia. These practices include the engagement of suppliers of products and services used in the mining operations such as trucks, mining equipment, transport, catering and temporary accommodation facilities. There is a potential risk of subcontracting to other companies with the lowest prices and 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, Baosteel 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.

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.

6. Assessing the Effectiveness of these Actions

Baosteel appreciates that although it is a minority 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.

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 7th June 2023 by:

Yong Zhang

Director

A handwritten signature in black ink, appearing to be 'Yong Zhang', written in a cursive style.