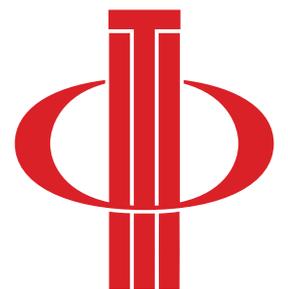


2020

Modern Slavery  
Statement



CITIC PACIFIC  
MINING

## The bigger picture

**CITIC has a long and proud history of investing in Australia. Without doubt our largest and most ambitious venture is Sino Iron – located within the mineral-rich Pilbara region of Western Australia. This marvel of modern mining, engineering and processing culminates in the shipment of high quality magnetite concentrate to the steel mills of the world. The sheer scale and value of this project has placed CITIC at the forefront of the socio-economic relationship between China and Australia.**



The community benefits of Sino Iron are significant and multi-layered. Our high grade/low impurity export concentrate means that less energy is required across the steel production cycle. With steel mills seeking to lower their carbon emissions, our product will play an increasingly important role in improving environmental outcomes for the planet.

The social and economic benefits are equally relevant. We directly support 2,900 jobs in Australia and independent economic assessment shows an estimated AUD\$51 billion will be spent on local goods and services over the life of the project. Billions more will be contributed in taxes and royalties to government over the same period – underpinning community infrastructure and essential services. And of course, CITIC has direct, enduring relationships with Traditional Owners and a host of community and not-for-profit organisations.

We know that the support and cooperation of all stakeholders is critical to the long-term success of Sino Iron. We strive to ensure that the concepts of mutual benefit and sustainable and ethical business practice at all levels are fundamental to everything we do.

This is why CITIC Pacific Mining has been an active participant in the Western Australia Modern Slavery Working Group committee, consisting of major Western Australia energy and resources companies. Modern slavery is an abuse of human rights and we all have a responsibility which extends well beyond the mine gate to prevent its occurrence.

We're pleased to provide our first Modern Slavery Statement, in accordance with the Australian Modern Slavery Act, outlining our approach and highlights for the reporting period.

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.

**Chen Zeng**  
Chairman & Chief Executive Officer  
CITIC Pacific Mining Management Pty Ltd





"We're very proud that Sino Iron has placed CITIC at the **forefront** of the **rapidly-developing** socio-economic relationship between **Australia** and **China**."

# Who we are

## CITIC Pacific Mining

**CITIC Pacific Mining Management Pty Ltd (ACN 119 578 371) ('CPM') is a wholly owned subsidiary of the Hong Kong listed company CITIC Limited. Headquartered in Perth, CPM was established to manage the construction and operation of an integrated mining, processing and port operation supplying high-grade, low impurity iron ore product to the steel mills of Asia (the 'Sino Iron Project' or 'Sino Iron').**

In just over a decade, the Sino Iron Project has transformed from a greenfields location on the Pilbara coast to a fully integrated, pit-to-port magnetite mining, processing and export megaproject. Today, the Sino Iron Project is the world's largest seaborne supplier of magnetite concentrate to China and pioneers of a new downstream processing industry for Western Australia. We have over 2,900 employees and contractors involved in ensuring the success of our operation.

In line with the aspirations of United

Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and human rights principles, CPM value the free, prior and informed consent of Traditional Owners regarding the development of the project. Robust consultation is the cornerstone of all cultural heritage management, and CPM aim to provide sufficient lead time for all proposals to be fairly communicated and considered within the community. CPM endeavour to not only provide training and employment, but also to foster a culturally safe workplace, where the culture and experiences of the Mardudhunera and

other First Nations Peoples are highly valued and celebrated across the business.

This is CPM's first Modern Slavery Statement and it has been made on behalf of its related bodies corporate in Australia involved in the operation of the Sino Iron Project\*. This statement is published pursuant to the Modern Slavery Act 2018 (Cth) and will cover the actions the company has taken to address modern slavery in its operations and supply chain for the financial year ending 31 December 2020.





Sino Iron is the sum of many parts – all of a size and scale making the operation one of global significance.

\* In this statement, a reference to 'CPM', 'Company', 'we' and 'our' is deemed to be a reference to each of the Australian Sino Iron Project Companies which includes: CITIC Pacific Mining Management Pty Ltd, Sino Iron Holdings Pty Ltd, Balmoral Iron Holdings Pty Ltd, Sino Iron Pty Ltd, Korean Steel Pty Ltd, MetaGas Pty Ltd, Pastoral Management Pty Ltd, Cape Preston Resource Holdings Pty Ltd, Cape Preston Port Company Pty Ltd, Pilbara Land Management Pty Ltd and Altus Shipping and Logistics Pty Ltd.

# Structure, operations and supply chain

CITIC Pacific Mining aims to be one of the largest, low-cost, sustainable and safest producers of magnetite concentrate in the world. Our values are shared with those of the wider CITIC group of companies:



## Vision and Values

**Honesty** and **Integrity** are at the foundation of CITIC and our internal and external activities – promoting goodwill, ethical behaviour, honouring our commitments and treating stakeholders fairly and respectfully underpin this approach.

**Innovation** through new systems, products and practices is a never-ending quest. Over-the-horizon thinking, the ability to adapt to changing market conditions and preparedness to invest in new technologies are all part of our corporate DNA.

**Dedication** - We recognise and celebrate staff who demonstrate dedication and passion for their work and social responsibilities. Persistence and selflessness in approach are valued traits.

**Excellence** – We strive to be the best at what we do in our chosen fields, individually and as an organisation. We are constantly looking to improve our processes and systems to be as safe, efficient and sustainable as possible.

**Cohesion** and **Fusion** - Cooperation and unity among employees is highly valued, where individual skills, talents and life experiences are fully utilized for a common purpose. We seek to create harmony and mutual benefit for communities where our projects are located and wider society.



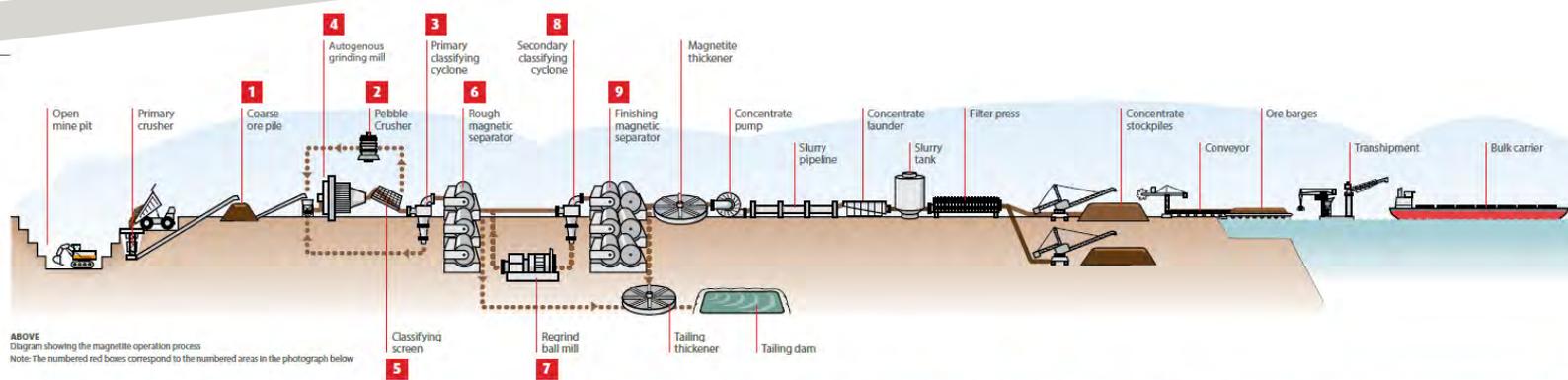
# Mine to market

## A fully integrated megaproject

Sino Iron is the largest magnetite mining and processing operation in Australia located 100km south west of Karratha in Western Australia.

We use traditional open pit mining techniques to excavate the ore before putting it through a rigorous beneficiation process. This allows us to produce a premium iron ore product with a high grade of Fe and lower impurities.

There is a strong demand for this type of product in Asia as it is an ideal material for pellet making – the preferred feed in the steelmaking process. Our magnetite iron ore is sold to customers in China and Vietnam. This next generation iron ore mining approach focuses on value-adding through investment in technology and people.





## Key statistics

**CPM understands the importance of building sustainable long-term relationships with its suppliers to enable the development of lasting social and economic benefits for its operation.**

In 2020, CPM procured goods and services from 1,177 of vendors and accumulated a total expenditure of AU\$1.540 billion. Our procurement activities are diverse, with our largest spend falling into the following categories:

- Mining equipment and Services
- Fuel
- Shipping and Transport; and
- Mining Fleet and Vehicles.

Over 71% of our Tier 1 (direct) suppliers are entities based in Australia, which equals to around AU\$1.104 billion total expenditure for the year. The rest of CPM's procurement activity involves entities that are based overseas, with a majority of them being based in Singapore and China.

### FY2020 EXPENDITURE



71.71%  
Australia



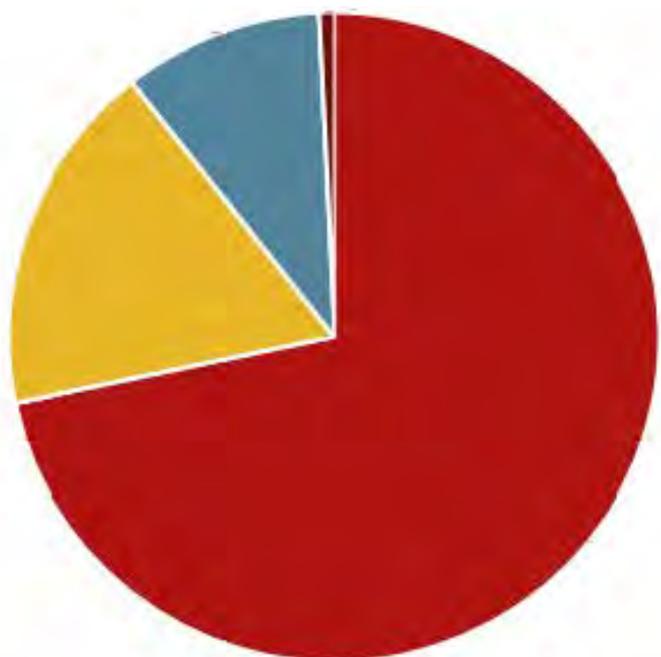
17.68%  
Singapore



9.83%  
China



0.78%  
Other countries



# Reducing modern slavery risks

Modern slavery covers practices such as human trafficking, slavery, servitude, forced or compulsory labour, forced marriage and debt bondage. The Global Slavery Index estimates that almost two-thirds of the total number of people on modern slavery are in the Asia-Pacific region, where most Australian companies source their materials and products+. CPM acknowledges that as a large mining company that procures various goods and services from around the world there is a risk that modern slavery practices are present in our supply chains.

We are currently working towards the implementation of an effective modern slavery risk management process. CPM is committed to working with its suppliers to implement effective systems and controls to identify, prevent and mitigate any resulting impact caused by the presence of modern slavery in its supply chain.

# Due diligence and remediation

**CPM recognises the importance of protecting human rights and taking active steps to comply with the requirements of the Commonwealth Modern Slavery Act. Below are the actions we have taken in FY2020 to address modern slavery risk in our operation.**

## Anti-Slavery Policy

Our Anti-Slavery Policy was executed and published in November 2019. The policy addresses CPM's commitment to combat modern slavery in its operations and supply chain. The Anti-Slavery Policy has been included in the policy and procedures package we provide to our suppliers.

## Modern Slavery Clause

We have created a modern slavery clause which we plan to include into the terms and conditions of our supply and services contract templates by the end of 2021.

## Equipping our Employees

We executed our first training module to equip employees in the front line business units with the knowledge and tools to identify, prevent and mitigate the incidence of modern slavery. The aim of the training is to ensure that members of the frontline business units are aware of the company's commitment to combat modern slavery activities in its supply chain. The training was released on 14 December 2020 and as of 1 June 2021, we have achieved a 75% completion rate. In the future, CPM will be looking to open up the training to the wider part of the business and to our suppliers.

## WA Modern Slavery Collaborative Group

CPM understands that modern slavery is a difficult matter to tackle alone and we feel privileged to be part of the Western Australia Modern Slavery Collaborative Group (WAMSC). The WAMSC was formed to assist companies in the mining and resources sector in Western Australia to share knowledge and learnings around modern slavery. As an active participant in the WAMSC, CPM assisted in the creation of a standard Supplier Self-Assessment Questionnaire (SAQ). The SAQ was created to enhance the efficiency of the modern slavery screening process for suppliers in the mining and resources industry. We are proud to announce that the WAMSC was recently awarded the Financial Times Innovative Lawyers Asia-Pacific 2021 award in the category of 'In-House Legal Team: Social Justice' for the works that the group is doing in this space.

## Reporting of misconduct

CPM is committed to creating and maintaining a culture of transparency, compliance, ethical conduct and high standards of corporate governance. *CPM Whistleblowing Policy* provides the mechanism to allow for all of our employees, contractors and suppliers to report on actual or suspected cases of modern slavery.

The policy was made available on CPM's internal and external websites so that it could be viewed and utilised by relevant stakeholders.

Disclosures made under the Whistleblowing Policy are referred to CPM Protected Disclosure Officers whereby the matter will be assessed and investigated appropriately. We did not receive any disclosures on modern slavery in FY2020.



THORISED PARKING  
WITHIN 50 METRES

UNAUTHORISED  
PARKING WITHIN  
50 METRES

GOMON

YDR3

## Assessing Efficacy

# Increasing awareness and understanding

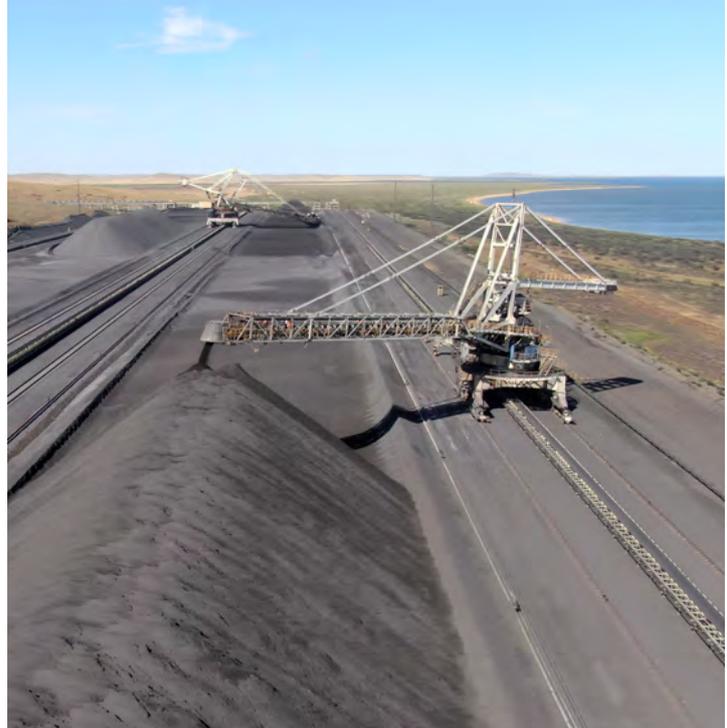
**Our focus for FY2020 was to increase the awareness and understanding of modern slavery risk within the company.**

CPM executed and published the Anti-Slavery Policy in November 2019. A business alert was circulated to alert employees and contractors of the existence of the policy and CPM's commitment to comply with the Modern Slavery Act. CPM has also included the Anti-Slavery Policy in the policies and procedures package we provide to suppliers.

CPM is monitoring the completion rate of the Modern Slavery training released to members of the frontline business units. As of 1 June 2021, we have had a 75% completion rate of the training. Following this success, we plan to roll out the training to employees and contractors outside of the frontline business units and also to our suppliers.







# Process of consultation

CPM is the managing entity for the Sino Iron Project and its Board of Directors is maintaining oversight of the governance of the project. A Management Committee meeting is held monthly to discuss and give direction on key matters concerning the project. The Management Committee consists of the Board of Directors of CPM and the senior managers of CPM. This Modern Slavery Statement was drafted with input from departments forming the frontline business units. The Modern Slavery Statement has been reviewed and approved by the CPM Board of Directors prior to its submission and publication.



	HR	DAY
INTAKE	1	MD
PRE TREATMENT COMMON	1	ML
PRE TREATMENT EAST	15	MD
PRE TREATMENT WEST	15	ML
RD EAST	3	MD
RD WEST	3	ML
POST TREATMENT AREA	1	MD
EXPORT	05	ML

# COVID-19 Management

The health and safety of our employees, subcontractors, customers and community is of paramount importance.

A safe working environment underpins the viability of our project.



Being SinoSAFE means striving to take health and safety to the next level. We do this on a daily basis through a focus on strong leadership, encouraging safe behaviours and a comprehensive risk management approach. At the height of COVID-19 pandemic, we ensured the safety of our workers by facilitating working from home for our employees and ensuring appropriate PPE are provided to our personnel on site.

CITIC Pacific Mining's COVID-19 Pandemic Management Committee was established early during the pandemic and tasked with coordinating the company's internal and external response.

To reduce the risk of transmission, CPM and other major WA mining companies moved to extend rosters for approximately three months from April to June. Additional precautions included health screening, social distancing, wearing of masks, hand hygiene stations and regular deep cleaning of offices. From August 2020, CMI provided further assistance to interstate employees impacted by extended interstate lockdowns. Options included assistance for permanent relocation to WA.

CPM also proactively helped community organisations manage the risks associated with COVID-19. We donated 10,000 masks to the Roebourne Police and Citizens Youth Club, for distribution to members of surrounding remote Aboriginal communities. In addition, CPM joined industry peers to establish the COVID-19 Community Support Initiative, coordinated by the Chamber of Minerals and Energy of Western Australia, boosting financial support for Royal Flying Doctor Service Western Operations, Foodbank WA and Lifeline WA to meet increase service demand during the period.





## Impact on procurement activities

**CPM holds numerous inbound supply chains to ensure the ongoing operations of our Sino Iron Project, including; Local, Domestic and International inbound supply chains. With many international regions being so significantly affected by COVID-19, the supply of key and critical products through this period quickly became a matter of concern.**

In early 2020 the CPM Procurement team and wider Commercial Services Department set out to understand how key suppliers to CPM were taking steps to mitigate potential supply chain disruptions caused by the COVID-19 pandemic. With more than 7,000 items on order at any one time, our Procurement team commenced reaching out to the internal business customers and key suppliers to identify both:

- a) critical/key items; and
- b) items required for shutdowns or major works in 2020.

Information sourced was then used to develop and track inbound supply though the major part of 2020 and into early 2021.

Early reports indicated that numerous companies that source from international manufacturing facilities were beginning to feel the disruptive effects of COVID-19 as raw materials that they rely on to produce were held up either at point of production or in transit. Not only had international manufacturing been impacted, but other key parts of our supply chain were also impacted by the presence of COVID-19. Due to the early action taken by the Company to reach out to those key suppliers, CPM was able to secure an oversupply of key products and/or consumables to help us through the pandemic.

The Procurement team also worked to keep the business informed of the changing status of product availability

and known supply chain issues. Where a product was found to become unavailable or heavily delayed alternate products were sourced, non-critical work was placed on hold and/or planned maintenance was rescheduled.

The supportive long term relationships held with major suppliers was key to ensuring the ongoing success of CPM's inbound supply chain. This strong relationship was evident in the way that our suppliers would reach out to CPM to provide information and detail on the ever changing environment COVID-19 presented to their operation.

