



# Modern Slavery Statement 2022

## 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 2022 to 31 December 2022 (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. CBH does not tolerate, use, or condone slavery, servitude, forced labour, or human trafficking (which together we call "modern slavery").
- 1.3 This statement is CBH's third statement. Since issuing CBH's first statements, CBH and its subsidiaries have continued to work on understanding where modern slavery can occur in their supply chain and 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.

## Our 2022 Initiatives

In 2022, CBH focused on the following key areas (the details of which are described later in this document) in assessing and addressing modern slavery risks in our operation and supply chains:

- **Policy:** Publishing a Modern Slavery Policy that confirms CBH's zero tolerance for any form of modern slavery.
- **Engagement and education:** Engaging CBH employees on modern slavery issues and protocols through training and education sessions.

## Our plans for 2023 and beyond

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In 2023 and beyond, we plan to:

- Review our policies and processes to ensure consistency and accuracy in addressing modern slavery risks across the business.
- Expand our education and training to staff about modern slavery and the processes, policies, and expectations of CBH.
- Implement review processes across the entire supply chain, and continue to review supplier engagement with our modern slavery compliance requirements, including to review and update supplier contracts and other relevant documents to address modern slavery compliance and risk awareness.
- Review and implement appropriate remediation processes.
- Establish a Modern Slavery Working Group.

## **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.

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**

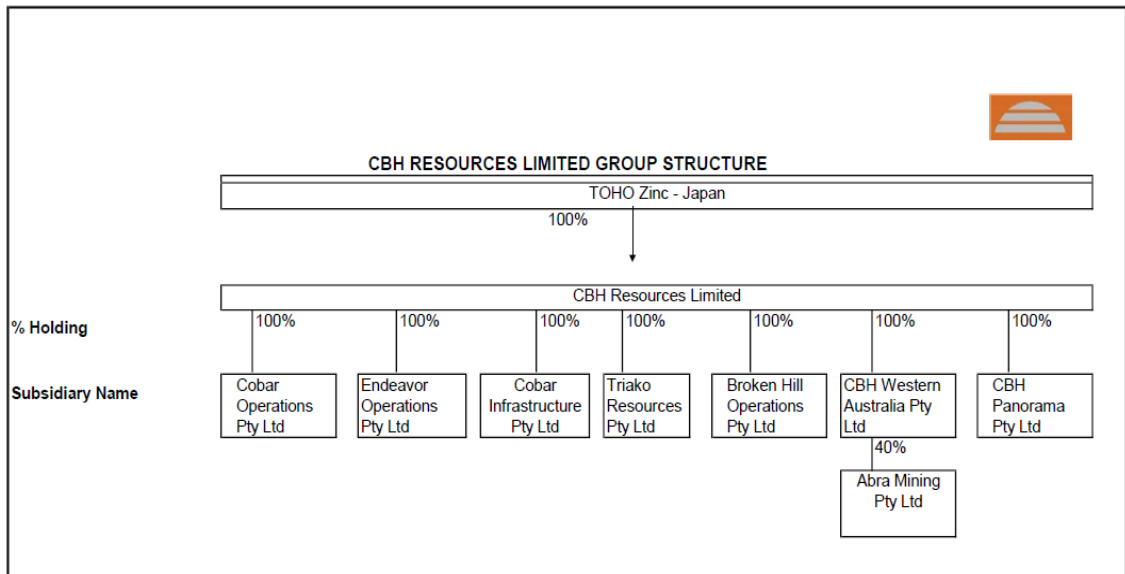
### **3.1 Structure**

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:



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### Employees

CBH Resources Group has a total of 190 employees dispersed with 8 employees at CBH, 177 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.

- 3.2 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. 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

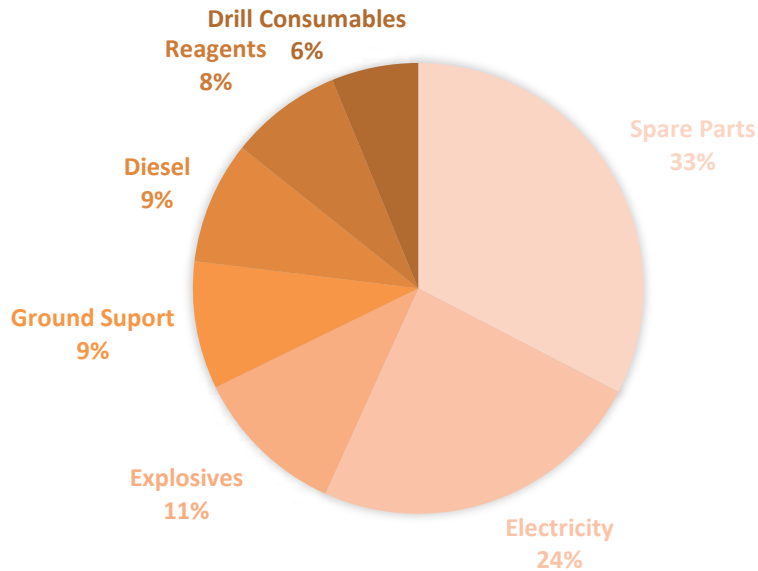
CBH Resources Group has a large number of suppliers who provide a variety of products and services in order for the CBH Resources Groups to conduct our business. The CBH Resources Group obtains supplies to assist with the mining and production of silver, lead and zinc in Australia. The key areas of spend 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.

In 2022, we have remained committed to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or in the supply chains that support our business. This includes further investigation to our supply chain and engaging with our Tier 1 suppliers by issuing a Supplier Assurance letter.

- 4. Risk of exposure to modern slavery
  - 4.1 In our first statement, we strengthened our commitment to understanding modern slavery risks in our operations and supply chains. 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.
  - 4.2 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. We continued to work to identify and ultimately minimise those risks.



## **5. Actions taken to assess and address modern slavery risk**

### **Our approach and progress**

- 5.1 In 2021, we reviewed and strengthened our modern slavery practices and policies with a particular focus on educating employees at all levels in relation to identifying modern slavery and what CBH can do to combat modern slavery.
- 5.2 CBH is committed to undertaking due diligence investigations to understand and assess modern slavery risks in our supply chain.
- 5.3 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.
- 5.4 Policies

In order to support compliance and address modern slavery risks throughout its business, CBH Resources Group has formal policies already in place that are intended to promote ethical, legally compliant and socially responsible business conduct.

#### *Modern Slavery Policy*

In 2022, CBH Resources Group introduced a Modern Slavery Policy. The purpose of the policy was to assist employees and suppliers in identifying, understanding, and combatting modern slavery and CBH's approach to limiting the risk of modern slavery practices. In 2023, CBH intends to alert its suppliers of the Policy and make that policy available.

#### *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*

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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.

*Supplier risk identification and prioritisation*

CBH has been in the process of finalising and updating a supplier questionnaire to be sent to tier 1 suppliers to assist our own investigations into our supply chain and potential modern slavery risks.

In 2022, CBH issued a supplier assurance letter to those same tier 1 suppliers to notify them that CBH was addressing modern slavery.

**2023 and Beyond**

- 5.5 By the end of the calendar year for 2023, the CBH Group intends to take these further steps to combat modern slavery in its operations and supply chain:
- 5.5.1 Educate our employees via targeted internal training for:
    - 5.5.1.1 key management and staff;
    - 5.5.1.2 procurement teams; and
    - 5.5.1.3 staff and relevant stakeholders.
  - 5.5.2 Alert our suppliers as to the terms of our Modern Slavery Policy.
  - 5.5.3 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.
  - 5.5.4 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.
  - 5.5.5 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.
  - 5.5.6 Periodically review the risk assessment of suppliers and undertake appropriate action if their risk profile is deemed to have changed.
  - 5.5.7 Create a roadmap on how CBH Resources Group could approach auditing suppliers for compliance to modern slavery prevention commitments.
  - 5.5.8 Establish a Modern Slavery Working Group to oversee CBH's Modern Slavery Journey.

Reporting and accountability

- 6.1 To track our progress in identifying and addressing modern slavery risks, in 2022 CBH built on and strengthened its reporting and accountability assessment measures in continuing to address modern slavery through prevention, responsiveness and collaboration.
- 6.2 In 2022, we strengthened this process by:

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- 6.2.1 Reviewing current reporting processes and systems to consider their suitability to receive modern slavery related reports.
- 6.2.2 Hosting training sessions about Modern Slavery and how it effect's CBH's business.
- 6.2.3 Engaging external counsel to assist us on our modern slavery journey and to ensure we are implementing achievable and realistic goals for CBH as we further understand how modern slavery can affect how CBH does business.

**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**

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 16 June 2023.

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Ryuhei Arimoto

Director

CBH Resources Limited

**16 June 2023**