



## GRANGE RESOURCES LIMITED

ABN 80 009 132 405

### MODERN SLAVERY STATEMENT

UNDER THE MODERN SLAVERY ACT 2018 (CTH)

REPORTING PERIOD: 1 January 2022 – 31 December 2022

Grange Resources Limited ABN 80 009 132 405

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## Director's Statement

As Director and Chairperson of the Audit and Risk Committee of Grange Resources Limited, I am pleased to present our 2022 Modern Slavery Statement.

Our commitment to human rights and responsible business conduct remains strong. We recognize the crucial importance of actively addressing modern slavery risks within our operations and supply chains.

The 2022 Modern Slavery Statement reflects our progress and ongoing efforts to combat modern slavery. During the past year, we have further strengthened our internal governance, refined our policies and processes, and worked collaboratively with our partners and stakeholders. Our past experiences have become a valuable reservoir of knowledge, guiding our strategies, and enabling us to execute more precise actions aimed at the prevention of modern slavery.

We recognize that the fight against modern slavery is a continuous journey. We are committed to learning, improving, and ensuring that our operations contribute to a fair and ethical global economy.

This 2022 Modern Slavery Statement has been approved by the board of Grange Resources Limited in their capacity as the principal governing body of the company. We have reviewed and confirmed the contents of this Statement in accordance with the requirements of the Modern Slavery Act 2018 (Cth).

Thank you to our teams, partners, stakeholders, and communities for their continuous support in upholding our ethical commitments.

Together, we can contribute to a fair and ethical global economy.

Sincerely,

Director and Chairperson of the Audit and Risk Committee

Oct 11, 2023

Date



## Part One: Who we are and what we do

### Our Structure

Grange Resources Limited is a leading Australian magnetite (iron ore pellets) producer based in Tasmania.

Grange Resources Limited is an Australian Public Company, listed on the Australian Securities Exchange (ASX: GRR). Our largest shareholder is Shagang International Holding Ltd (Hong Kong), which in turn is under the ownership of Jiangsu Shagang International Trade Co. Ltd. (“**Shagang Group**”). The mandatory reporting entity under the Act is Grange Resources Limited ABN 80 009 132 405 (“**Grange Resources**” or “**Grange**”).

Grange owns and/or controls the following entities that are not, individually, mandatory reporting entities under the Act:

- Ever Green Resources Co., Limited<sup>1</sup>
- Grange Tasmania Holdings Pty Ltd
- Beviron Pty Ltd
- Grange Resources (Tasmania) Pty Ltd
- Grange Capital Pty Ltd
- Grange Administrative Services Pty Ltd
- Barrack Mines Pty Ltd
- Bamine Pty Ltd
- BML Holdings Pty Ltd
- Horseshoe Gold Mine Pty Ltd
- Grange Resources (Southdown) Pty Ltd
- Grange Resources Investments Pty Ltd
- Southdown Project Management Pty Ltd

(Referred to collectively throughout this Statement as “Grange Resources”, “Grange”, “we”, “us”, and “our” unless otherwise specified)

### Our Operations

With a rich history spanning over half a century, Grange Resources is at the forefront of iron ore mining and processing at our Savage River mine and Port Latta processing plant.

Our primary operations entail the management and operation of the Savage River integrated iron ore mining and pellet production business, located in the north-west region of Tasmania.

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<sup>1</sup> This entity is incorporated in Hong Kong, registered as a foreign company under the Corporation Act 2001 (Cth)  
Registered Office: 34a Alexander Street, Burnie, Tasmania 7320



Our Port Latta facility, strategically situated on Tasmania's northwest coast, houses a pellet plant and port facility, producing approximately 2.5 million tonnes of top-tier iron ore pellets annually.

We've established a robust sales network encompassing spot and contractual agreements, ensuring the seamless delivery of our pellets to customers across the vast Asia Pacific region.

In Western Australia, Grange holds 100 per cent ownership in the Southdown Magnetite Iron Ore Project.<sup>2</sup> The Project is currently in the feasibility stage and is anticipated to yield double the iron ore production of the Savage River mine, with an initial annual production target of 5 million tonnes of premium magnetite concentrate.

During the reporting period, Grange employed 598 professionals across our operations at our Port Latta Pellet Plant, Savage River Mining Operations and Concentrator, and our head office in Burnie, Tasmania. Their roles spanned from plant and mining equipment operations, maintenance roles including mechanical fitters, electricians and welders, engineering, geology, and environmental planning to IT, HR, finance, and administrative support.

In addition to our permanent staff, Grange leverages local labour hire companies and fixed-term contracts for personnel on a casual basis. On average, we employ approximately 100 contractors monthly, with roughly half serving in mining operator roles.

## Impact of COVID-19 pandemic

Throughout 2022, Grange diligently upheld stringent safety protocols and a commitment to operational excellence to mitigate the ramifications of the global COVID-19 pandemic. Consequently, the pressure exerted on our supply chains did not compromise our established procurement practices or lead to an escalation in our overall modern slavery risk profile.

## Our Supply Chains

A broad range of suppliers support our mining operations and head office functions. During the reporting period, we procured goods and services from 819 suppliers, which ranged across the following industry categories:

- Mining equipment and related parts
- Electricity and gas
- Blasting services and materials
- Civil and building construction
- Exploration drilling
- Chemical products
- Industrial machinery and equipment
- Motor vehicle parts

<sup>2</sup> [Media Release - Grange Acquires Joint Venture Partner's interest in the Southdown Magnetite Project](#)



- Non-building construction providers and equipment
- Petroleum and coal products
- Computer and technical services
- Education and training providers
- Pumps and appliances
- Catering and cleaning services
- Waste disposal
- Freight and logistic services
- Accommodation
- Electrical equipment
- Advertising and promotional material
- Business and consulting services
- Engineering services
- Australian based labour hire providers
- Equipment hire
- Fabricated metal products
- Technical services
- Consumables
- Tyres
- Security services

These suppliers are predominantly located in Australia. We also have supplier relationships with the following international suppliers:

- Machinery and mechanical parts suppliers from Germany, Canada, India and Malaysia
- Business, legal, consulting and subscription services based in New Zealand, Singapore, USA, India, Canada and the UK
- Wholesale traders in the USA
- Filter material supplier in the USA
- Non-metallic mineral supplier based in India
- Software providers based in the USA and UK
- An e-commerce subscription service supplier in China

## Part Two: Assessing Modern Slavery Risks in our Operations and Supply Chains

Throughout the reporting period, Grange maintained a vigilant stance against modern slavery practices, with no reported incidents occurring within our operations or supply chains.

In our unwavering commitment to ethical and responsible business conduct, we performed a comprehensive risk assessment of our operational supply chains through an external subject



matter expert SAAS platform. This exercise scrutinized a total of 819 of our direct (first-tier) suppliers.

This sophisticated risk assessment utilized proprietary technology to analyse a range of factors, all aimed at gauging the potential exposure to modern slavery up to the tenth tier of our supply chain:

- The aggregate financial value of our direct supplier contracts
- The industry category, encompassing industries that subsequently contribute to specific categories down the supply chain
- The geographical operational area
- The depth of tiering within the supply chain(s), e.g., 3rd tier supplier, 5th tier supplier, etc

For a detailed insight into the proprietary risk assessment methodology used for the initial risk assessment, please refer to the Appendix of this statement.

The risk assessment identified that our **direct (tier one) suppliers** within the following industry categories posed the most significant cumulative potential modern slavery risk within our supply chains:

- Non-Metallic Mineral suppliers operating in India
- Australian Petrol and Diesel Suppliers
- Australian Non-building Construction suppliers

We are committed to ongoing vigilance and improvement in the fight against modern slavery, and these insights guide our approach to risk mitigation in our supply chains.

## India-Based Non-Metallic Minerals Suppliers

The sector of non-metallic minerals, particularly those procured from suppliers in India, has been appraised as having the most substantial potential exposure to modern slavery risk. This category represents around a quarter of the total relative slavery risk identified within our supply chains.

The suppliers operating in this category are deemed high-risk due to the 'multiplier effect' of functioning within a high-risk industry and a high-risk geography concurrently.

The Global Slavery Index approximates a prevalence of modern slavery in India at an alarming rate of nearly 6.1 victims for every 1,000 individuals in the national populace. The risk is notably amplified within India's mineral extractives industry, given its dependence on migrant, unskilled, or socioeconomically disadvantaged workers. Such individuals are vulnerable to deception leading to conditions of forced labour or debt bondage. The potential hazardousness and geographic isolation associated with the work further intensify the risk factor.



## Australian Petrol and Diesel Suppliers

Suppliers of petrol and diesel-related products within Australia are identified as potential source of modern slavery risk exposure. Distinct from the *Non-Metallic Minerals from India* category, the risks associated with this industry primarily reside at the second tier of the supply chain (i.e., our supplier's suppliers).

This second tier typically comprises the actual extraction and refining suppliers, which may have operations abroad in higher risk geographies. These suppliers may pose risks similar to those identified in relation to *Non-Metallic Minerals in India*.

## Australian Non-Building Construction Suppliers

The industry category titled 'Non-building Construction', encompassing Australia-based suppliers, is another sector presenting potentially heightened modern slavery risks. This sector shares characteristics with our operations, particularly a low entry barrier for vulnerable migrant workers lacking formal qualifications. Roles in this industry are often temporary or subcontracted, which may obstruct thorough oversight of labour conditions.

Additionally, the commonly used construction tools and equipment are frequently manufactured offshore in high-risk Southeast Asian locations and may comprise high-risk raw materials sourced from regions with reported instances of child and forced labour.

## Risks Pertinent to Our Operations

Grange acknowledges that, within the global context, mining operations are susceptible to potentially elevated modern slavery risks. This international, industry-category-based risk encapsulates factors tied to the employment of labour hire services.

Our preliminary risk assessment incorporated the examination of 47 distinct labour hire providers of various categories.

Our contracted workforce includes a combination of highly skilled professionals, such as engineers and specialized technicians, and tradespersons engaged in less skilled roles like machinery operation. We recognize that under certain conditions, contractual agreements can heighten modern slavery risks due to limited direct visibility into the conditions of labour hire.

We have an existing Whistleblower policy accessible to all contracted workers. We promote an open and transparent workplace and support employees with a number of avenues to protect their rights with any appropriate representation as required.



## Part Three: Actions Taken to Assess and Address Modern Slavery Risks

Grange is advancing beyond the initial stages of developing a long-term framework for mitigating modern slavery risks. Our progress is exemplified by the significant measures we've already implemented during this reporting period.

### Desktop Auditing of Highest Risk Suppliers

We have conducted this desktop audit, utilizing proprietary analytics based on our actual procurement data of 819 suppliers. This has offered us a detailed and precise appraisal of our potential risks. These results guide our forthcoming reporting period and actions on the due diligence measures on our suppliers.

### Supplier Questionnaires

We have conducted our supplier questionnaires on our labour hire contractors and high-risk suppliers. Our analysis of responses from supplier questionnaires has instilled confidence in our ongoing business relationships. The findings suggest minimal risk related to modern slavery and broaden the improvement opportunities within our supply chains. This thorough approach demonstrates our commitment to continuously mitigating potential modern slavery risks in our operations.

### Internal Governance and Policies

We've completed the process of developing specific modern slavery clauses for inclusion in our supply agreements and standard purchase order terms. This has entailed a thorough examination of our standard contract terms by external subject matter expert and our internal Commercial department. We have implemented clauses that impose explicit modern slavery due diligence requirements and completed to our suppliers.

Furthermore, Grange has conducted an industry review of best practice codes of conduct focusing on modern slavery. This review has provided crucial updates to our key policies in this reporting period. Consequently, our new Supplier Code of Conduct is now 90% complete, and we are committed to finalising this important document soon in next reporting period. These strides underline our ongoing commitment to proactive and informed approaches in mitigating potential modern slavery risks within our operations and supply chains.

### Environmental, Social and Governance (ESG)

Grange has adopted an Environmental, Social and Governance (ESG) framework with 21 core metrics and disclosure as created by the World Economic Forum (WEF), and is establishing an impact measurement plan for each sustainability area which includes, but not limited to, governance, anti-corruption practices, ethical behaviour, human rights, carbon emissions, land





use, ecological sensitivity, water consumption, diversity and inclusion, pay equality and tax payment.

Review across our management systems have occurred through 2022 to map across process and reporting improvements to align to the ESG core metrics. This resulted in Grange publishing the baseline ESG report in August 2022, which describes the progress Grange has made against the four pillars of the Framework for Governance, Planet, People, and Prosperity.

## Part Four: Measuring Effectiveness

Throughout the reporting period, we have made significant progress on the following identified benchmarks and have added new crucial indicators for progress. Our intention is to foster continual improvement, while consistently building upon the actions implemented in each subsequent reporting period. Our goal is not merely to meet standards, but to consistently elevate our practices in an enduring commitment to eradicate modern slavery.

Focus Area	KPIs for 2022-23	% completion	KPIs for 2023
<b>Risk Identification</b>	Increased supply chain mapping, including our controlled entities.	On-going.	Expand desktop audit to suppliers under the Southdown project.  Increase supply mapping to include Shipping.
	Comprehensive review of labour hire practices for mine site contractors.	100% Completed - reviewed Labour Hire Contract terms and added a new modern slavery provision.  100% Completed supplier questionnaires for the labour hire contractor.	
<b>Supplier Engagement</b>	Issuing of supplier self-assessment questionnaires	100% completed – issued to labour hire contractors.  In Progress - Issuing the questionnaires to high-risk suppliers (excl. labour hire contractors).	100% target – issuing the questionnaires to high-risk suppliers (excl. labour hire contractors).



Focus Area	KPIs for 2022-23	% completion	KPIs for 2023
<b>Due Diligence</b>	Undertaken desktop auditing on highest risk supplies, focusing on the industry categories identified in Part Two	100% Completed – performed desktop auditing through SAAS platform of suppliers used during 2022 Calendar Year.	Continue to assess modern slavery risks on the new suppliers.  Continue to engage with external subject matter expert to perform another desktop audit through SAAS platform.
<b>Internal Governance &amp; Policy Frameworks</b>	Developing modern slavery procurement assessment framework to inform purchasing decision.	In- Progress – develop full suite of Modern Slavery Framework  In- Progress – roll out of Modern Slavery Questionnaire as part of Tender Process.	100% target – develop full suite of Modern Slavery Framework.  100% target - roll out of the questionnaires as part of Tender Process and On-Boarding.
	Developing and operationalising full suite of modern slavery related policies, including a Supplier Code of Conduct and modern slavery contract provisions	90% Completed – develop the Supplier Code of Conduct  100% Completed - reviewed and finalised modern slavery provision in standard Supply and Services Agreements, and Labour Hire contract terms  Updated anti-slavery policy.	100% target – complete and roll out the Supplier Code of Conduct.  Continue to incorporate changes to externally provided contracts.
	Facilitation of the modern slavery working group including expanding the mandate and makeup of the group.	In-Progress – establish the Modern Slavery Committee and finalise objectives and deliverables (charter).	100% target - initiate Modern Slavery Committee and its objectives and deliverables.
<b>Remediation</b>	Respond to any instances of modern slavery identified and implementation of appropriate corrective actions	On-going	On-going
<b>Training and Education on the Modern Slavery</b>	Modern Slavery Awareness Program	In-Progress - incorporate the training program as one of awareness program’s objective and deliverable	100% target - roll out the Modern Slavery Awareness Program across Grange.



## Appendix – Initial Risk Assessment Methodology Summary

1. As discussed in Part Two of this Statement, we have established a continuous partnership with an external subject matter expert SAAS platform to conduct thorough risk assessment focused on select suppliers. The evaluation serves as the cornerstone for our sustained due diligence and corrective actions, extending beyond the current reporting period into forthcoming years. By doing so, we ensure a persistent and proactive approach towards risk mitigation, underpinning our enduring commitment to combat modern slavery in our supply chains.
2. Incorporating company spend data throughout global markets, we have utilised external consultants with proprietary technology to trace the economic inputs required to produce products and services sourced from Tier 1 suppliers to Tier 2 suppliers, Tier 2 suppliers to Tier 3 suppliers, and so on, all the way to Tier 10 suppliers of the supply chain of Grange's top suppliers by spend.
3. This supply chain mapping was performed using a balanced, global Multi-Regional Input-Output (MRIO) table which links supply chain data from 190 countries, and in relation to 15,909 industry sectors. This MRIO table is assembled using the following sources:
  - a. The United Nations' (UN) System of National Accounts;
  - b. UN COMTRADE databases;
  - c. Eurostat databases;
  - d. The Institute of Developing Economies, Japan External Trade Organisation (IDE/JETRO); and
  - e. Numerous National Agencies including the Australian Bureau of Statistics.
4. The MRIO is then examined against the following international standards:
  - a. The UN Guiding Principles on Business and Human Rights;
  - b. The Global Slavery Index;
  - c. International Labour Organisation (ILO) Global Estimates of Modern Slavery; and
  - d. The United States' Reports on International Child Labour and Forced Labour.



5. A proprietary algorithm has then been applied to synthesise publicly available risk data against the exclusively licensed MRIO table. The result of this process is the creation of a modern slavery risk profile to Tier 10 for each supplier.
6. This analysis was performed for the purposes of risk identification under the Act. It does not purport to confirm the actual existence (or non-existence) of slavery in Grange's supply chains and operations. Analysis was undertaken at the industry and country level. It does not account for variances at the entity, region or product level.
7. The multi-faceted approach to modern slavery risk assessment that we have undertaken has included examination and analysis of the following:
  - a. The individual suppliers and industries with the most elevated risk of modern slavery;
  - b. Supply chain plots to provide a visual representation of the supply chains for Grange's top 3 first tier industries;
  - c. Plotting the relative slavery risk in the supply chain by tier, up to tier 10;
  - d. Geographical depiction of the cumulative risk of modern slavery across the supply chain around the world;
  - e. An overview of the classification of the first tier of our supply chain by country and industry, including relative modern slavery risk; and
  - f. Suppliers in our supply chains and operations that posed any calculated risks in relation to modern slavery were identified.