



Responsible Sourcing & Modern Slavery Policy

1. Executive Summary

This policy (as varied from time to time) is designed to comply with the 'Australian Modern Slavery Act 2018', ASI Performance Standard, ASI Chain of Custody (CoC) standard and responsible sourcing requirements.

2. Purpose

Business plays an important role in respecting and promoting human rights and eradicating modern slavery.¹ Modern slavery includes the crimes of human trafficking, slavery, and slavery-like practices such as servitude, forced labour, forced or servile marriage, the sale and exploitation of children, and debt bondage. We recognise that modern slavery is a growing and complex problem, best tackled by the collective commitment and responsibility to bring it to an end. We are committed to working with all our stakeholders to fulfil this common goal.

If this policy is breached, we will act as quickly as practicable to remedy any adverse impacts on workers, individuals or communities and engage directly with affected stakeholders.

The *Australian Modern Slavery Act 2018* took effect on 1 January 2019 and requires Capral to make annual public reports (Modern Slavery Statements) on the actions of its operations to address modern slavery risks in their operations and supply chains.

The purpose of this policy is to ensure that Capral Limited:

- Is compliant with local, national and other applicable laws and regulations in the businesses' jurisdictions.
- Sources products and services in accordance with legal obligations and community expectations while working with suppliers to improve their social and environmental practices.
- Is committed to socially and environmentally responsible procurement
- Act to prevent, mitigate and, where appropriate, remedy modern slavery in their operations³ and supply chains.⁴

3. Policy Application

The principles of this policy must be complied with or incorporated into policies within each business area.⁵ This policy should be read in conjunction with the Capral Code of Conduct and Supplier Code of Conduct.

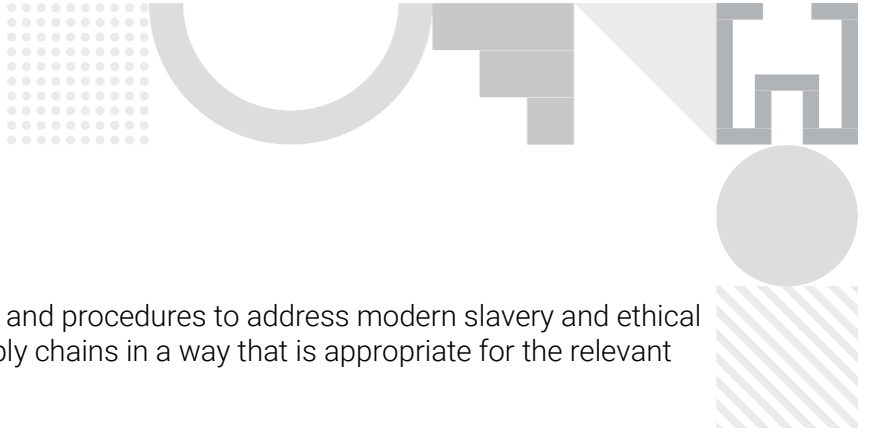
¹ Source: Walk Free Foundation.

² 'Suppliers' is defined as factories, supplier sites and providers of goods or services to Capral and its business areas.

³ 'Operations' is defined as activity controlled by Capral and its divisions/business units.

⁴ 'Supply Chains' is defined as suppliers and service providers to Capral and its business areas.

⁵ Business Areas: Capral and its subsidiary Austex



4. Policy

Each business area must adopt policies and procedures to address modern slavery and ethical sourcing risks in its operations and supply chains in a way that is appropriate for the relevant business area.

Each business area must, as far as practicable, include in its operational and supplier contract terms, Requirements that suppliers comply with all local, national and other applicable laws and regulations in the jurisdictions in which they operate.

Each business area must, as far as practicable, use in its operational and supplier contract terms requirements that suppliers:

- i. Comply with the Minimum Standards set out in Annexure A (Minimum Standards);
- ii. Provide the business area with rights of termination if the supplier is unable or unwilling to work toward full compliance with the Minimum Standards.

As far as practicable, suppliers must be:

- i. Encouraged to exceed the Minimum Standards and promote best practices and continuous improvement; and
- ii. Monitored for compliance with the Minimum Standards through supplier assessment processes and risk-based due diligence as appropriate for the business area, taking into account all relevant risk factors such as country risk and product risk.

Each business area must monitor and review the effectiveness of the policies and procedures referred to in paragraph 2.1 above, taking into account their suitability, adequacy and effectiveness as per the risk assessment.

Each business area must implement an approach to modern slavery risk management in accordance with the guidelines in Annexure B.

Each business area must conduct risk-based due diligence on suppliers regularly as practical for operations. This will include risk-based due diligence on suppliers with respect to conflict-affected and high-risk Areas and in accordance with OECD Due Diligence Guidance of Minerals from Conflict-Affected and High-Risk Areas, specifically Paragraph 1 of Annex II of the OECD guidance. The nature and extent of due diligence will be appropriate to:

- Size of the enterprise
- Location of the activities
- Situation in a particular country
- Sector and nature of the products or services involved

Due diligence should be undertaken in good faith with reasonable efforts.

5. Policy Amendment

This policy cannot be amended without the approval of the Capral Board. The Capral Board is responsible for oversight of the company's responsible sourcing and modern slavery commitments and will review this policy regularly to ensure it continues to evolve and reflect community expectations.



ANNEXURE A – MINIMUM STANDARDS EXPECTED OF SUPPLIERS

1. MINIMUM STANDARDS

1.1 No Forced or Bonded Labour

Employment shall be freely chosen. Suppliers shall:

- i. not use any forced labour (any work or service extracted from any person under the menace of any penalty, which work has not been freely chosen by the person), bonded labour (work which is not for compensation received by the worker, but to repay a debt, which is often incurred by another person offering the worker's labour in exchange) or indentured labour (in which an employer forbids workers from leaving employment at the worker's discretion);
- ii. respect the freedom of movement of their workers and not restrict their movement by controlling identity papers, holding money deposits, or taking any other action to prevent workers from terminating their employment; and
- iii. ensure that workers are free to leave their employer after reasonable notice.

1.2 No Child Labour⁶

Suppliers shall comply with the minimum legal working age in the country in question or, in the absence of such law, by the International Labour Organisation (ILO) Convention 138. Suppliers must be able to verify the age of all employees to ensure compliance. Suppliers must accept the principles of remediation⁷ of child and underage workers. Where such labour is discovered, suppliers must establish and implement appropriate remediation for such workers and introduce effective systems to prevent the use of child labour in the future.

1.3 Wages, Benefits and Transparent Record Keeping

Suppliers must comply at a minimum with all laws regulating local wages, overtime compensation and legally mandated benefits. Record keeping must be accurate and transparent. Workers must be provided with written and understandable information about their employment conditions before they enter employment and about their wages for each pay period. Deductions from wages for disciplinary measures or any deductions from wages not provided by law shall not occur without the express permission of the worker concerned. All disciplinary measures should be recorded.

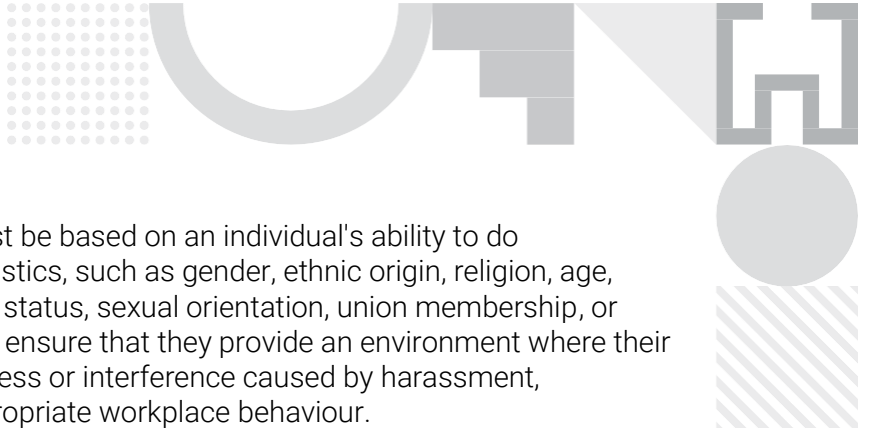
1.4 Working Hours

Working hours must comply with applicable local laws. Workers should not be required to work more than the maximum hours per week as stipulated by local laws or, in the absence of such law, by the applicable ILO convention. Overtime shall be agreed upon, shall not be excessive, shall not be requested regularly and shall be compensated as prescribed by applicable local laws.

⁶ Child labour' is defined as any work by a child or young person, which does not comply with the provisions of the relevant ILO standards, and any work that is likely to interfere with that person's education or to be harmful to that person's health or mental, spiritual, moral or social development. 'Child (or Children)' is defined as a person under the age of 15, or below the age at which school attendance is not compulsory under local law, whichever is older. 'Young Person' is defined as a person under the age of 18 but not classified as a child.

⁷ The principles of remediation are defined as a program enabling children and underage workers to return to quality education and establishing and implementing effective systems to prevent the use of child labour in the future.

1.5 No Discrimination



All conditions of employment must be based on an individual's ability to do the job, not on personal characteristics, such as gender, ethnic origin, religion, age, disability, personal beliefs, marital status, sexual orientation, union membership, or political affiliation. Suppliers must ensure that they provide an environment where their employees can work without distress or interference caused by harassment, discrimination, or any other inappropriate workplace behaviour.

1.6 No Harassment or Abuse

Workers shall be treated with dignity and respect. In particular, suppliers will provide a workplace free from harassment, physical, sexual, verbal or visual behaviour that creates an offensive, hostile or intimidating environment.

1.7 Freedom of Association, Grievance Mechanisms and Recourse

Suppliers shall respect the rights of workers to lawfully associate or not to associate with groups of their choosing, as long as such groups are legal in the country of operation. Workers should have the right to join or form trade unions of their choosing. Suppliers should not interfere with, obstruct or prevent legitimate related activities, such as collective bargaining. Workers are allowed to select worker representatives. Representatives should not be discriminated against and should have regular access to company management or an appropriate process to address grievances and other issues.

Suppliers must have a policy in place for workers to approach management on issues of concern, on their own or through worker representatives, confidentially.

1.8 Working Conditions

Suppliers shall provide a safe and hygienic working environment without health risks, taking into consideration knowledge of the relevant industry and any specific hazards. Workers shall receive adequate and regular training to perform their jobs safely. Personal protective equipment and machinery safeguards shall be supplied, and workers trained in their use. Where suppliers provide accommodation, it shall be clean, safe and meet the basic needs of workers. Workers will have access to clean toilet facilities, clean drinking water and, where appropriate, sanitary facilities for food storage and preparation. Workers have the right to refuse unsafe work.

1.9 No Bribery

Bribes, favours, benefits or other similar unlawful or improper payments, in cash or in kind, are strictly prohibited, whether given to obtain business or otherwise. For audit purposes, suppliers shall keep accurate records of all payments made and received in cash or in kind.

1.10 Sub-Contracting

Where sub-contracting is permitted, suppliers must have good processes in place for adequately managing sub-contracting to ensure that sub-contractors operate in accordance with this and any applicable business area policy and are undertaken strictly in accordance with the contract.

1.11 Sustainability

Suppliers shall be committed to ensuring the efficient use of resources, actively engage in methods to decrease Greenhouse Gas Emissions and incorporate sustainable methods into their product lines.

1.12 Compliance with Local Laws

Suppliers must comply with all relevant local laws, rules and regulations in the countries in which they operate, including those relating to business integrity, transparency, bribery and corruption.

1.13 Animal Welfare

Suppliers must ensure animals are treated humanely and with respect.

1.14 Migrant Workers

Migrant workers shall have the same entitlements as local workers as stipulated by local law. The employer must cover any commissions and other fees in connection with the employment of migrant workers. The employer must not require the worker to surrender identification documents. Workers employed through a third-party agent or contractors are the responsibility of the suppliers and are thus covered by these Minimum Standards.

1.15 Hiring and Regular Employment

Suppliers must provide each worker with a clear, understandable labour contract containing all legally required employment terms, entitlements and conditions. In addition, suppliers should work towards providing permanent employment for workers and avoid labour-only contracting arrangements, consecutive short-term contracts, excessive piece-work or false apprenticeship schemes to avoid obligations of regular employment to workers.



ANNEXURE B – MODERN SLAVERY RISK MANAGEMENT FOR EACH BUSINESS AREA

1. MINIMUM STANDARDS

1.3 Accountability for Modern Slavery Issues, with an Identified Risk Owner

Business areas acknowledge that they are accountable for addressing modern slavery issues in operations and supplier contracts and will nominate a specified individual or role to be responsible for coordinating the management of this risk.

1.2 Supply Chain Mapping and Risk Management

Business areas must assess the risks of modern slavery across their operations.

The risk assessment must initially address the modern slavery risks of tier 1 suppliers and then assess those suppliers beyond tier 1 who are determined by the business area to be high risk. Business areas will coordinate with sustainability to conduct risk-based due diligence in accordance with OECD Due Diligence Guidance of Minerals from Conflict-Affected and High-Risk Areas, specifically Paragraph 1 of Annex II of the OECD guidance.

1.3 On-Boarding and Contracting

Business areas must perform risk-based due diligence on new suppliers to determine their risk level and control procedures in relation to ethical sourcing and modern slavery, as appropriate for their business. The business area must have a process to consider the supplier's responsible sourcing and modern slavery performance during the supplier onboarding.

1.4 Audit and Compliance Program

Business areas must assess suppliers through their audit/compliance program to confirm compliance with this policy. The business area should involve relevant personnel or external providers trained in conducting audits when required.

1.5 Training

Business areas must ensure that team members with relevant roles in relation to the policy receive adequate training on the policy and any supporting processes applicable to their role.

1.6 Complaints Mechanism

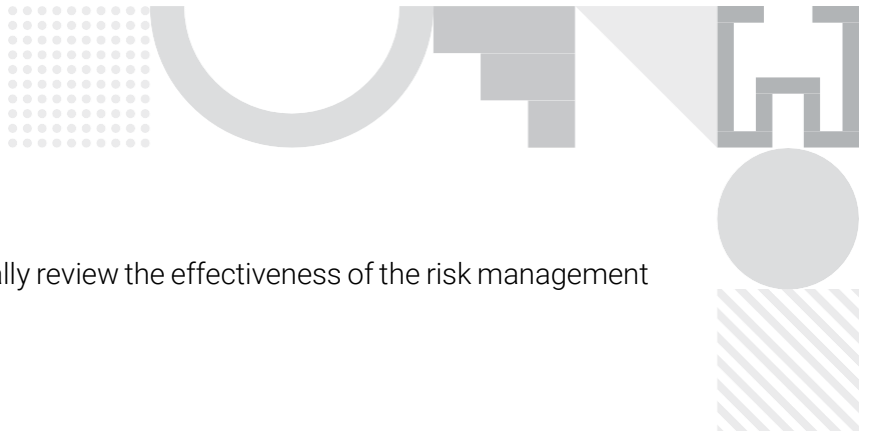
Business areas will promote the reporting mechanism for concerns or disclosure concerning modern slavery, which allows for confidential and anonymous reporting and protects from reprisal via the Whistle Blower hotline. A clear process for investigating and reporting on the issues raised through the reporting mechanism can be found in the 'Whistle-blower' Policy.

1.7 Remediation

Business areas must be committed to working with suppliers to remediate any breaches of this policy.

1.8 Stakeholder Engagement

Business areas must have an approach to stakeholder engagement in place.



1.9 Review

Business areas must monitor and annually review the effectiveness of the risk management measures described above.

References

Capral Code of Conduct
Supplier Code of Conduct
Whistle-blower Policy
Responsible Sourcing and Modern Slavery Practice

Document History

Date of Approval	Author	Summary of change
1 November 2020		Published
1 April 2021		Reviewed
5 August 2022	Marc Banks Group ESG and Risk Manager	Updated to Responsible Sourcing and Modern Slavery – additions in response to responsible sourcing, conflict areas and complaints mechanism – ASI Inclusions
November 2023	Tertius Campbell CFO / Company Secretary	Review – no change. Published
October 2024	Marc Banks Group ESG and Risk Manager	Review – formatting only. Publish
November 2025	Marc Banks Group ESG and Risk Manager	Review – formatting only. Publish