



2020 MODERN SLAVERY STATEMENT



Modern Slavery Act Criteria

This Modern Slavery Statement was prepared to meet the mandatory reporting criteria set out under the *Modern Slavery Act 2018 (Cth)*. The table below identifies where each criterion is disclosed within this statement.

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Letter from the Executive Chairman

On behalf of the Board of Directors, I am pleased to submit our first Modern Slavery Statement. This statement articulates the steps we have taken during the first reporting period to identify and address the risks of Modern Slavery within our supply chains and operations.

Modern Slavery has devastating impacts on tens of millions of victims and communities around the world. Aeris has zero tolerance to all forms of Modern Slavery, and we have taken steps to understand these risks within our business and supply chain to ensure an effective and practical ongoing response to these risks.

Tackling Modern Slavery, is an integral part of achieving our vision for respecting human rights. It is fundamental to living our values, including caring about people.

Aeris takes the issue of Modern Slavery seriously. We are committed to identifying, assessing, and mitigating Modern Slavery risks in our operations and supply chains, achieving total compliance with all applicable Modern Slavery legislation, and using our commercial leverage to meaningfully contribute towards the reduction and ultimate elimination of Modern Slavery.



Yours Sincerely

A handwritten signature in blue ink, appearing to be 'A. Labuschagne', with a long horizontal stroke extending to the right.

Andre Labuschagne
Executive Chairman

Identification of Our Reporting Entities

This Statement is made in accordance with the Modern Slavery Act 2018 (Cth) for the period 1 July 2019 to 30 June 2020. This is a joint statement made on behalf of the following entities, which we have determined are reporting entities under the Modern Slavery Act:

- Aeris Resources Limited (ABN: 30 147 131 977), the group's parent company; and
- Tritton Resources Pty Ltd (ABN 88 100 095 494), which owns and operates the Tritton Copper Operations.

On 1 July 2020, Aeris completed the purchase of Lion Mining Pty Ltd, which owns and operates Cracow Gold Operations. This statement excludes Cracow Gold Operations as it was not owned during the reporting period.

This Statement describes the steps taken by Aeris Resources Limited and its controlled entities (Aeris or the Group), including the reporting entities above, to assess and address Aeris Modern Slavery risks.

This Statement was approved by the Board of Aeris on 29 March 2021 on behalf of itself and the other reporting entities listed above and has been signed by the Executive Chairman.

Our Business, Structure, Operations and Supply Chain

MSA Mandatory Criteria 1 & 2

Aeris is an Australian public company listed on the Australian Stock Exchange (ASX: AIS).

The Company's registered address is Suite 22, Level 2, HQ South Tower, 520 Wickham Street, Fortitude Valley, Queensland 4006, Australia.

Aeris is a diversified mining and exploration company. The Company has a growing portfolio of wholly Australian-based copper and gold operations, development projects and exploration prospects. Aeris has a clear vision to become a mid-tier mining company with a focus on gold and copper, delivering shareholder value.

The Company has two operational assets, the Tritton Copper Operations (Tritton) in New South Wales and the Cracow Gold Operations (Cracow) in Queensland. Both operating mines are 100% owned and operated by Aeris.

Aeris also holds 70% of the Torrens Joint Venture, a copper/gold Exploration project in South Australia.

Additional information about our assets and its entities is available on our website and in our [2020 Annual Report](#).

As at 30 June 2020, Aeris had a workforce of 370 employees. Following the completion of the Cracow purchase on 1 July 2020, the Aeris workforce increased by a further 240 employees. The Company's workforce is 100% employed within Australia.

Corporate Governance

Aeris complies with the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations (4th Edition)*. Our full Corporate Governance Statement is available on our website www.aerisresources.com.au

Our Code of Conduct applies to all Directors, employees, contractors and consultants employed to undertake work for and on behalf of Aeris' and its subsidiaries.

All Directors, employees, contractors and service providers are also required to operate and behave in accordance with Aeris values of Safety, Performance, People, Ethics and Integrity.

Our Supply Chain

Our goal is to create sustainable value for our shareholders, employees, and social partners through safe and responsible mining practices. We work across the full spectrum of the mining value chain and are mindful of the impact our activities may have on the communities and environments in which we operate.

We are committed to supporting local suppliers and contractors that have businesses in the regions in which we operate. Our procurement teams actively source from local suppliers and contractors and include them in sourcing activities where their technical skills and capability are assessed to meet our business requirements. We also encourage large contractors to develop local facilities and partnerships to build capacity locally, resulting in employment opportunities and a transfer of skills.

In FY2020, Aeris produced 25,041 tonnes of copper, generating A\$227 million of income and contributed A\$206 million in payments to suppliers.

We are focussed on operating our assets safely and efficiently and developing them to their full potential. In terms of direct contractual relationships, our supply chains feature approximately 1,200 vendors in Australia and only 15 vendors overseas. Nonetheless, as Modern Slavery is as much a global phenomena as the global economy itself, we recognise that even though the overwhelming majority of our supplier contracts are within Australia, this only represents the 'tip of the iceberg' and many, if not, all of these contracts branch into a complex web of supply chains and inputs that invariably have significant international components, including in areas of heightened incidences of Modern Slavery around the world.

As part of doing business we source a wide variety of goods and services including electricity, gas, fuels, lubricants, chemicals, grinding media, steel, piping, parts, fleet, drilling, blasting, safety wear and equipment, professional services, technical consultants and contract labour.

Key goods and services procured

Exploration

- Drilling services;
- Geophysical survey services; and
- Core analysis services.

Mining

- Explosives;
- Fuel and lubricants;
- Mining fleet and spare parts (trucks, excavators, drill rigs, ancillary fleet); and
- Contract production drilling.

Processing

- Electricity supply;
- Processing chemicals;
- Mill consumables;
- Electrical spares; and
- Contract labour for maintenance.

Customer

- Road, rail and ocean freight services; and
- Storage shed facility services.

The steps we are taking to address Modern Slavery are part of a holistic approach to ensuring supplier confidence that our commodities are produced and sold in a manner that shows utmost respect human rights. Our approach is aligned with our values of Safety, Performance, People, Ethics and Integrity. We believe that our commitment to our values and our community is what sets Aeris apart from other companies.

Our Modern Slavery Risks

MSA Mandatory Criteria 3

Identification, Assessment of Modern Slavery Risks

We have not identified any cases of actual or suspected Modern Slavery or associated conduct in our supply chain and operations over the reporting period.

Although our Australian-based operation ensures that the relative risk of Modern Slavery from direct (and even indirect but proximate) suppliers is very low, Aeris acknowledges the potential risk of Modern Slavery deep within the supply chains. We recognise the need to be vigilant in identifying where there is the potential to cause, contribute to, or be directly linked to Modern Slavery activities.

Operational and Supply Chain Risks Assessment

Aeris operations are carried out entirely within Australia. All Aeris employees are engaged on terms and conditions which comply with Australian laws and are free to join and to have employee representation.

We recognise that our Australian suppliers (who make up over 99% of our supplier spend) provide us with goods and services across various categories input to their supply chains which may be sourced, especially at the lowest tiers, from elevated risk areas. These are the areas that we intend to focus on for further engagement and assessment.

To carry out the initial risk assessment for, our first Modern Slavery Statement, Aeris engaged external subject matter experts.

Proprietary multi-regional input-output table-based technology has been used to map the supply chain of the industries and countries of each one of our direct suppliers. This process identified the inputs required from different industries in different countries. The following sources were used during the assessment process:

- i. Global Slavery Index;
- ii. US Department of State's Trafficking in Persons Report;
- iii. US Department of Labour's List of Goods Produced by Child Labour or Forced Labour;
- iv. Estimated full-time equivalent employees per industry from the International Labour Organisation;
- v. Reported Modern Slavery incidents and investigations; and
- vi. Global industry risk estimates derived from a subject matter expertise.

Based on this initial risk assessment, we have identified supply chains in the following general industry categories, in no particular order, as having potentially elevated risks of Modern Slavery, based on a range of factors including total relative spend amount, sector risks and geographical considerations:

- Mining or drilling machinery and parts;
- Chemical products;
- Construction;
- Road freight;
- Railway freight transport services;
- Electricity;
- Site and mining support (including cleaning, catering, security and operational and mining support particularly involving manual labourers);
- Personal protective equipment and other apparel; and
- Professional Services.

Our Approach to Assessing and Addressing our Modern Slavery Risks

MSA Mandatory Criteria 4

We have built on our understanding of Modern Slavery risks in our operations and supply chains, through consultation with external Modern Slavery specialists. We have undertaken several key activities which form the basis of our Modern Slavery action plan and supplier risk assessment processes. These activities include:

- **Strengthening supplier contracts:** Our unwavering expectation in relation to the universal respect for human rights is conveyed through our contracting and procurement processes with our suppliers (both current and potential). For example, provisions specifically addressing Modern Slavery provisions have been incorporated in our procurement contracts and vendor trading terms and having been incorporated in all new contracts and purchase orders.
- **Impact of the COVID-19 pandemic and Modern Slavery issues:** Measures relating to increased use of PPE and other important protective action were promptly put in place to mitigate the risk of transmission of COVID-19 into our operations and we have worked with our suppliers to instigate controls to manage potential exposure to the virus.
Aeris has existing relationships with most of these suppliers, which helped to minimise the risks associated with potentially less vigorous screening of new supply chains with unknown risks of Modern Slavery.
- **Supplier Assessment Questionnaire and Vendor Process:** In partnership with external subject matter experts, we have developed a comprehensive Supplier Self-Assessment Questionnaire (SAQ). The SAQ aims to further focus the identification of potentially elevated Modern Slavery risks at the individual supplier level.

We are committed to ensuring that the SAQ process is undertaken in a way that promotes collaborative efforts with our suppliers to identify risks, improve supply chain transparency, and identify the most viable areas for further due diligence. It is designed to educate suppliers of the importance of Modern Slavery issues and request responses to a series of questions which help to identify the geographic locations of their business operations, assess the potential risk for Modern Slavery in their supply chains, determine the level of governance within their business and the training needs required to make their workforce aware of Modern Slavery risks.

Aeris has sent the SAQ to all suppliers in our supply chain that have been classified as having a relatively elevated risk in our initial risk assessment process. Aeris will work with these suppliers to identify issues of concern. For example, if a risk is flagged based on questionnaire answers, direct engagement with the vendor will be undertaken to further assess and address that risk.

- **Education and Training:** We have worked to educate our business in the risk of Modern Slavery and how to identify the potential threat. A training module has been developed and undertaken by personnel involved in procurement activities and in bringing new vendors into the business.

All Aeris Executives our Board members and relevant employees have undertaken tailored Modern Slavery training based on the results of the risk assessment.

Assessing the Effectiveness of Our Approach

MSA Mandatory Criteria 5

Key Performance Indicators (KPIs) implement to help assess the effectiveness of our approach:

- **Continue Strengthening our Supplier Contracts:** We aim to increase the number of contracts with Modern Slavery specific provisions between each reporting period.
- **Monitor SAQs responses from high-risk Suppliers:** Aeris will continue working with all suppliers with a designated high risk from the initial assessment process. Aeris aims to have a high number of responses from the SAQs. This approach will continue to be reviewed and improved in future years as our knowledge and awareness of Modern Slavery matures.
- **Increase awareness through employee training:** We will continue to roll out Modern Slavery risk-based training to our senior operations leaders.
- **Modern slavery committee updates to the Board:** A commitment to routinely update the Board and the Executive Committee on measures taken to mitigate Modern Slavery risks.

Consultation with Owned and Controlled Entities

MSA Mandatory Criteria 6

All our controlled entities operate under Aeris Group policies and processes, including adherence to the Modern Slavery Act 2018 (Cth).

We have delivered a Modern Slavery Awareness course to all Aeris Group Directors, Executives and relevant employees to ensure they are aware of our Modern Slavery responsibilities and to provide an opportunity for review of and input into this Statement.



Looking Ahead

MSA Mandatory Criteria 7

Through our working group in FY2021, we continue to monitor the progress of our Modern Slavery actions and due diligence processes. We plan to further develop and educate the members of our internal working group. This working group comprised of representatives from the areas of Commercial, Finance and Senior Executives. This group is pivotal to reinforcing the importance and awareness of the risk of Modern Slavery in our business, and in responding if any risks are identified.

Key actions planned in FY2021

- Through the practical implementation of a 'continuous improvement' approach to our Modern Slavery response, we intend to review and improve our due diligence, risk management, training and supplier engagement systems and processes;
- Work with high priority suppliers to improve our understanding of their supply chains and develop collaborative, practical solutions to address any persistent risks;
- Continue to partner in developing awareness of the risk of Modern Slavery with our existing suppliers and new vendors. Specific modes of achieving this include through wider deployment of the initial risk assessment tool; Modern Slavery specific questionnaires and supplier meetings;
- Develop and implement a Supplier Code of Conduct; and
- Explore the expansion of Whistle-Blower program to include Modern Slavery provisions.

